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# *Comprehensive Annual Financial Report*



COUNTY OF VENTURA, CALIFORNIA



FISCAL YEAR ENDED JUNE 30, 2004  
CHRISTINE L. COHEN - AUDITOR-CONTROLLER

County of Ventura, California

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2004

APPROVED AND FORWARDED:  
COUNTY CLERK

DATE

APPROVED AND FORWARDED:  
COUNTY AUDITOR

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Christine L. Cohen, Auditor-Controller  
County Auditor-Controller's Office

**COUNTY OF VENTURA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2004**

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# INTRODUCTORY SECTION





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**CHRISTINE L. COHEN**  
**AUDITOR-CONTROLLER**  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93009-1540



**CHIEF DEPUTIES**  
SANDRA BICKFORD  
MERCY GRIECO  
JAMES M. TAMEKAZU  
LOUISE WEBSTER

December 3, 2004

Honorable Board of Supervisors  
County of Ventura  
County Government Center  
800 South Victoria Avenue  
Ventura, California 93009

Members of the Board of Supervisors and  
Citizens of the County of Ventura:

The Comprehensive Annual Financial Report (CAFR) of the County of Ventura (County) for the year ended June 30, 2004, is hereby submitted in compliance with the provisions of the State of California Government Code Sections 25250 and 25253. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

### **AUDITS**

This CAFR was prepared to satisfy the financial reporting requirements for state and local governments as issued by the Governmental Accounting Standards Board (GASB); specifically GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis — for State and Local Governments* (GASB 34), and subsequent related statements. Further information regarding the reporting requirements can be found in Note 1 of the Notes to the Basic Financial Statements. Comparative analysis of the financial statements for June 30, 2004 and 2003 can be found in the Management's Discussion and Analysis.

The CAFR has been audited by the independent certified public accounting firm of KPMG LLP (KPMG). The goal of the independent audit was to provide reasonable assurance about whether the basic financial statements of the County for the fiscal year ended June 30, 2004, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. KPMG concluded that the County's annual basic financial statements as contained herein present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and the discretely presented component unit, each major fund and the aggregate remaining fund information, and the changes in financial position and cash flows, where applicable, of the County of Ventura in conformity with generally accepted accounting principles. The unqualified

Independent Auditors' Report is included in the Financial Section of this Comprehensive Annual Financial Report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Findings and Questioned Costs (if applicable), and the independent auditor's reports on internal control and compliance with applicable laws and regulations, are included in a separate annual publication available from the County Auditor-Controller's Office.

### **THE COUNTY PROFILE AND REPORTING ENTITY**

The County of Ventura was approved by the State Legislature on March 22, 1872, effective January 1, 1873. The County was created out of the southeasterly portion of Santa Barbara County. The County covers an area of 1,873 square miles and is 26<sup>th</sup> in geographic size among California's 58 counties. It is bordered on the north by Kern County, on the northwest by Santa Barbara County, and on the east by Los Angeles County. The Pacific Ocean provides the County's south and southwestern border stretching along 42 miles of coastline.

The County is a General Law County. Policymaking, budget approval, and legislative authority are vested in a five-member Board of Supervisors (Board). Each Supervisor is elected on a nonpartisan basis by geographic districts for four-year staggered terms. On alternating two year elections, either two or three members are elected. The Chair of the Board is elected by the board members to a one-year term.

The County provides a full range of services, including general government (administration, central services, elections, and plant acquisition), public protection (law enforcement, fire protection, watershed protection, County portion of judicial, and detention), public ways and facilities (county service areas and construction and maintenance of roads), health and sanitation (public, behavioral and environmental health), public assistance, and education (libraries). In addition, enterprise funds account for the operations of the Medical Center, Health Care Plan, two airports, Channel Islands Harbor, Harbor expansion, waterworks districts (sanitation and water services), and Parks (recreational activities).

The financial reporting entity (the government) includes all the funds of the primary government (County of Ventura as legally defined), as well as all of its legally separate component units, if applicable. The component units are reported as *blended* when they are in substance part of the primary government or *discretely presented* in a separate column on the government-wide financial statements to emphasize that they are legally separate from the primary government. Note 1 of the Notes to the Basic Financial Statements provides more information on the reporting entity.

There are certain separate legal entities that share the title "County of Ventura," including numerous school and other districts governed by locally elected boards. These entities are autonomous organizations with their own governmental powers. They maintain their own financial records and issue financial statements separate and distinct from those of the County. Accordingly, they are not included in the accompanying financial statements, except as to their assets held by the County, principally cash and investments held by the County Treasurer in the Investment Trust Fund.

### **FACTORS AFFECTING FINANCIAL CONDITION**

Ventura County, historically, has been closely allied with the economy of Southern California and for the calendar year 2004 was continuing to grow at a moderate rate. The County's traditional economic strength in agriculture, food processing, and mineral production is supplemented by the prominence of the service industry, small manufacturing businesses, the electronics industry, tourism, the biotechnology giant, Amgen, and the military presence of the Naval Base Ventura County at Port Hueneme and Point Mugu.

Positive local signs of future growth include retail sales increase of 4.2 percent in 2003 compared to a statewide increase of 2.5 percent. Additional positive signs include increasing population growth and average salary, and continued growth along the 101 Tech Corridor in the County. A report by Deloitte & Touche ranks the 2004 Fast 50 companies from the Los Angeles region, and 17 of the top fifty companies are located along the 101 Tech Corridor, with seven companies located in Ventura County. The businesses are diversified relating to internet, health, electronics and video game makers. The Port of Hueneme is expected to significantly increase activities with the planned relocation of Chiquita Brands banana import operations from Long Beach in late 2004.

The region's crop total was \$1.12 billion in 2003 with strawberries leading the way with \$300.7 million. Overall, there was a decrease of \$41.7 million or 4 percent.

At June 2004, the Employment Development Division - Labor Market Information Section reported total wages and salary employment in Ventura County at 310,500 jobs, which represents an overall increase of 12,700 jobs from the June 2003 total of 297,800 jobs, or a 4.3 percent increase. Over the past year, construction and mining and agriculture and food production added 4,700 and 2,100 jobs, respectively. Increases were also reported for finance, insurance, and real estate; wholesale trade; and other service industries as a whole. Government led the losses with 1,900 jobs, followed by retail trade and transportation and utilities with losses of 500 and 400 jobs, respectively. The unemployment rate in June 2004, at 4.8 percent, was down from 5.2 percent in June 2003 and compares favorably with 6.4 percent in California and 5.8 percent in the nation. The June 2004 UCLA Anderson Forecast predicts solid employment growth throughout Southern California.

California State University, Channel Islands reported enrollment for fall 2004 of 1,666 full-time equivalent students, an increase of 2.5 percent over a year ago. Enrollment is expected to grow to about 4,000 students by the time the first freshman class graduates in 2007. The first student housing complex, built at a cost of \$17.6 million to house 344 students, opened in August 2004.

Ventura County's total population is estimated at 802,400 as of January 1, 2004 by the Department of Finance, a 1.4 percent growth over the prior year. The largest city is Oxnard. The fastest growing city was Fillmore at 3.1 percent growth. The California growth rate was 1.5 percent. The County is 11<sup>th</sup> in population size among California counties. Since 1990, the County has grown 20.0 percent and increased 51.4 percent since the 1980 Census. It is anticipated that the County will experience continued residential growth due to its quality of life, low crime, climate, relatively clean air, and proximity to the Los Angeles metropolitan area.

The total secured assessed valuation increased 8.7 percent in 2003-04 and 9.3 percent in 2004-05. Over a period of time, real estate activity and increases in property values should reflect larger assessed valuations and more property taxes. However, divergent trends of increased demand and slow-growth initiatives are impacting home prices. Save Open-space and Agricultural Resources (SOAR) requires voters to approve new development throughout most cities and the County.

The median sales price for an existing single-family home in Ventura County was \$625,000 in June 2004, an increase of 37.2 percent from a median of \$455,500 in June 2003, according to the California Association of Realtors (CAR). The composite median sales price in Ventura County for new and existing homes and condominiums was \$500,000 in June 2004, reflecting a gain of 29.9 percent from the same month a year ago, according to DataQuick Information Systems. According to CAR, the median sales price in California and the nation in June 2004 were \$469,200 and \$191,800, respectively. UCSB projected median family income for 2004 at \$77,000, a modest 4.6 percent increase over the prior year. Due to the significant disparity in real estate and family income growth, housing affordability (the percent of the population who can afford a median home) has been steadily declining and was 13 percent in June 2004 for Ventura County according to CAR, in contrast with 18 percent and 52 percent for California and the nation.

The availability of affordable housing continues to be a critical economic factor and may limit future job growth. The desirability of living in Ventura County and the diversification of the overall economy are offsetting positive factors. Therefore, moderate economic growth is expected into the year 2005.

## **MAJOR FINANCIAL CHALLENGES**

### **Impacts on Revenues**

All fifty-eight California counties are by law created by the State and are political subdivisions of the State. Aid from other governmental units represents the largest component of total revenues. Therefore, the economic health of the nation and the State have significant impacts on the County's finances. Various factors such as the economic slowdown of recent years, the war in the Middle East, and terrorist threats have contributed to an increasing national deficit and impacted the federal government's financial condition and budget, in turn affecting state and local governments.

California's 2003-04 budget gap between expenditures and resources exceeding \$38 billion was closed with a combination of program reductions and savings, fund shifts, loans and borrowing, and deficit financing. In March 2004, California voters approved the California Economic Recovery Bond Act (Proposition 57) and the Balanced Budget Amendment (Proposition 58), which authorized the State to issue up to \$15 billion in bonds to finance the General Fund gap. Reductions in State funding or large borrowings and other temporary solutions have significantly affected County programs.

To mitigate State funding shortfalls in 1992-93 and 1993-94, the State reduced its expenditures by shifting property taxes through the Education Revenue Augmentation Fund (ERAF) from the counties, cities, and special districts to schools. In fiscal year 2003-04, the County lost \$81 million in property tax revenue to ERAF and has experienced a cumulative loss of \$682 million through June 30, 2004. Additional temporary shifts of property taxes from local governments to ERAF of \$1.3 billion annually in 2004-05 and 2005-06 were included in the State's 2004-05 adopted budget.

Beginning in 2002-03, the State began deferring reimbursement payments to the County for state-mandated programs (SB 90). As of June 30, 2004, an estimated cumulative \$24 million of the County's mandated costs have not been reimbursed. SB 1096, chaptered in August 2004, requires the State to reimburse local governments over a period not to exceed five years, beginning in 2006-07.

Payment of the Vehicle License Fee (VLF) backfill (unpaid for a three-month period) has been deferred and is being treated as a loan, resulting in a revenue shortfall for Ventura County of over \$16 million in 2003-04. AB 1457, chaptered in May 2004, requires repayment in August 2006.

Among additional measures included in the State's 2004-05 adopted budget are the exchange of a portion of local sales taxes and VLF for property taxes. Sales tax (Triple Flip) and VLF revenues received monthly are swapped for property taxes received biannually, effectively transferring some of the State's cash flow delays to local governments and resulting in increased County workload.

The major issue for counties is their limited ability to raise discretionary revenue such as property, sales, and motor vehicle taxes, combined with their vulnerability to ongoing State shifts. The ability to generate new revenue streams continues to be limited by the voters through the initiative process. Article XIII(A) of the California Constitution limits the maximum ad valorem tax on real property to one percent of "full cash value". Proposition 62 approved in 1986 requires specified Board and electorate approval for certain taxes. Proposition 218 added a constitutional amendment in 1996 that further limits government's ability to levy, collect, or increase certain taxes, assessments, fees, and charges.

The County has restricted the use of two major revenue streams, public safety sales tax and tobacco settlement. The use of Proposition 172 public safety money, amounting to \$52 million in fiscal year 2003-04, is restricted by State law and County Ordinance 4088 effective May 1995. The special sales tax is used only for the

following four public safety departments—sheriff, district attorney, probation services and public defender. The public safety sales tax revenues provided about 21 percent of total public safety spending. In July 2003, the Sheriff and District Attorney sued the County alleging violation of Ordinance 4088 when the Board linked required growth in general fund funding to the Consumer Price Index in March 2001. The tobacco settlement money is restricted to healthcare purposes by County ordinance adopted in October 2000. Prior year tobacco settlement revenue of about \$15.7 million was set aside in the designation for subsequent years financing. Allocations are recommended to the Board of Supervisors by the Tobacco Settlement Oversight and Allocation Committee.

On a positive note, in November 2004, the voters supported the protection of local government revenues through the passage of Proposition 1A. Among its provisions are the following: 1) Prohibits the State from reducing any local sales tax rate, limiting local authority to levy a sales tax rate, or changing the allocation of local sales tax revenues; 2) Prohibits the State from permanently shifting local government property taxes to schools; 3) Requires the State to provide equal replacement revenue to local governments if the VLF is reduced below its current level; 4) Requires the State to either fully fund mandates or suspend the mandated requirements for the fiscal year. This measure is expected to provide higher and significantly more stable local government revenues.

### **Expenditures**

Expenditures have also contributed to the County's budget constraints. Negotiated and other adjustments drive increased salaries and benefits costs and future retirement benefits. Salaries and benefits, accounting for 45 percent of total County costs, are difficult to restrict due to labor negotiations and equity issues. At the end of 2003-04, 120 employees were laid off and 650 full-time positions were eliminated as the County struggled to adopt a balanced budget for 2004-05 with anticipated large revenue shortfalls.

The stock market decline negatively impacted the value of the Ventura County Employees' Retirement Association funds, resulting in the payment of the actuarially required employer contribution exceeding \$10 million in 2003-04, estimated at about \$48 million for 2004-05.

The Juvenile Justice Complex was completed and occupied in 2003-04. Operational costs totaled \$18.7 million in 2003-04 with \$21.7 million budgeted in 2004-05.

Other pressures include soaring workers' compensation and health insurance costs along with a passthrough from the State of a portion of the federal penalty assessed due to failure to meet the deadline for the implementation of a statewide child support collection program. The County's portion in 2003-04 amounted to \$1,283,000.

### **Impacts on Governmental Fund Balances**

For the year ended June 30, 2004, increases or decreases from June 30, 2003 are recorded in the following areas:

- The County *availability period* for the year ended June 30, 2004 for revenue recognition purposes was defined as six months. Therefore, certain revenues included in the government-wide statements are not recognized in the fund statements, such as SB 90 revenues and the VLF backfill gap loan.
- For the General Fund, total fund balance decreased by over \$6 million, from \$119 million in 2002-03 to \$113 million in 2003-04. Some of the factors contributing to this decrease are the continued performance of SB 90 mandates without reimbursement from the State, the VLF backfill gap loan, and various expenditure increases as described above, partially offset by an increase in property tax revenues.

Additional discussion on fund balance is provided in the MD&A under Financial Analysis of the County Funds - Governmental Funds Summary of Changes in Fund Balances.

## **INTERNAL AND BUDGETARY CONTROLS**

The County maintains an internal control structure designed to ensure that assets of the government are protected from loss, theft, or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and to ensure the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As a recipient of federal and state financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to those programs. The Auditor-Controller's Office established a program for departments to perform internal control self-assessments.

In accordance with the California Government Code, the County adopts an annual budget for operations. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the department/budget unit and object level of expenditures, except capital assets which are controlled at the sub-object level. The Board has delegated authority to the County Executive Officer to approve appropriation transfers within each department under their authority to allow flexibility in managing their departments. Appropriation transfers between departments must be approved by the Board.

All unencumbered and unexpended appropriations lapse at the end of each fiscal year and become available to finance the next year's budget. Encumbered appropriations are reappropriated in the next year's budget. Encumbrances outstanding at year-end are recorded as reservations of fund balance in the governmental funds. Additional budgetary information is included in the Required Supplementary Information section of the CAFR.

## **CASH MANAGEMENT POLICIES AND PRACTICES**

The Treasury manages a single cash pool for the purpose of increasing interest income through investment activities. Included in the pool are the internal pool component for County related cash and investments recorded in the various funds and an external pool component for other governmental agencies recorded as the Investment Trust Fund. The annualized yield for fiscal year 2003-04 was 1.63 percent. This yield compares favorably with the average yield of United States Treasury bills and notes for the same period.

Pooled investments are stated at fair value in accordance with GASB Statement No. 31. The total cash and investments held by the County Treasurer at June 30, 2004 totaled \$1,290,000. Other cash and investments are held by fiscal agents and in the pension trusts. Additional information is available in Note 3 - Cash and Investments in the Notes to the Basic Financial Statements.

## **DEBT ADMINISTRATION**

The County adheres to prudent financial practices regarding all debt financing. The short-term tax and revenue anticipation notes (TRANS) have received ratings of SP-1+ and MIG 1, the highest rating for short-term securities, by Standard & Poor's Corporation and Moody's Investors Services, respectively. The County intends to continue its conservative debt management and use short-term borrowing programs in future years as needed for cash flow purposes between property tax payments.

Voter-approved general obligation bonds outstanding for the Watershed Protection and Waterworks Districts were paid in full in 2003-04. Total outstanding balances at June 30, 2004 for debt are \$225,023,000 for governmental activities and \$41,091,000 for business-type activities as described in Note 10 - Long-Term Debt in the Notes to the Basic Financial Statements.

Useful indicators of the County's debt position include the following: Ratio of general bonded debt to assessed value 0.00; amount of bonded debt per capita \$0.00; and legal debt limit \$904,356,000. A ten-year summary of these indicators is provided in the Statistical Section of the CAFR. As noted in the preceding paragraph, general obligation debt is a small portion of the County's total debt.

### **RISK MANAGEMENT**

The County is self-insured for various types of risk including general liability, workers' compensation, property damage, unemployment and long-term disability insurance, and for the deductible on medical malpractice premiums (Note 14). For group health and long-term disability insurance, the Human Resources Department obtained commercially insured plans and the Ventura County Health Care Agency administers a self-insured health plan.

The County records its risk management activities in various internal service and enterprise funds. The revenue received, funded liability reserves, and unrestricted net assets at June 30, 2004 are considered adequate by management to cover the ultimate cost to defend or settle claims arising from these risks.

### **ON-LINE INFORMATION**

Copies of this CAFR, the Single Audit Report, the County Proposed and Final Budgets, and the Tax Rates book may be obtained from the office of the County Auditor-Controller. The CAFR, Adopted Budget, and other documents are also available on the Internet, [www.auditor.countyofventura.org](http://www.auditor.countyofventura.org). The County's web page, [www.countyofventura.org](http://www.countyofventura.org) includes information on most County departments as well as interactive sites. Information is available about the Board of Supervisors including email to the Board, the ability to watch live or archived Board meetings, board agendas, County job listings, County directories and general information, voter information, and County permits and forms.

### **OTHER INFORMATION**

**Certificate of Achievement** The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the year ended June 30, 2003. This was the 20<sup>th</sup> consecutive year the County has received this award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements. We are submitting the current report to GFOA to determine its eligibility for a Certificate of Achievement for Excellence in Financial Reporting for the year ended June 30, 2004.

**Acknowledgments** The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Auditor-Controller's Office. I express my appreciation to members of the Auditor-Controller's Office and our independent auditors, KPMG LLP, all of whom assisted in and contributed to its preparation. I also thank the Board of Supervisors and the County Executive Office for their interest and support in planning and conducting the financial operations of the County in a responsive and effective manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'CLC', followed by a long horizontal line extending to the right.

CHRISTINE L. COHEN  
Auditor-Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Ventura,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Ziehl*

President

*Jeffrey R. Enser*

Executive Director

COUNTY OF VENTURA  
LISTING OF PRINCIPAL OFFICIALS  
JUNE 30, 2004

ELECTED OFFICIALS

---

Board of Supervisors

|             |               |
|-------------|---------------|
| District #1 | Steve Bennett |
| District #2 | Linda Parks   |
| District #3 | Kathy I. Long |
| District #4 | Judy Mikels   |
| District #5 | John K. Flynn |

Other Elected Officials

|                                                                 |                    |
|-----------------------------------------------------------------|--------------------|
| Assessor                                                        | Dan Goodwin        |
| Auditor-Controller                                              | Christine L. Cohen |
| Clerk and Recorder                                              | Philip J. Schmit   |
| District Attorney                                               | Gregory D. Totten  |
| Sheriff                                                         | Bob Brooks         |
| Treasurer-Tax Collector/Public<br>Guardian/Public Administrator | Lawrence Matheney  |

APPOINTED OFFICIALS

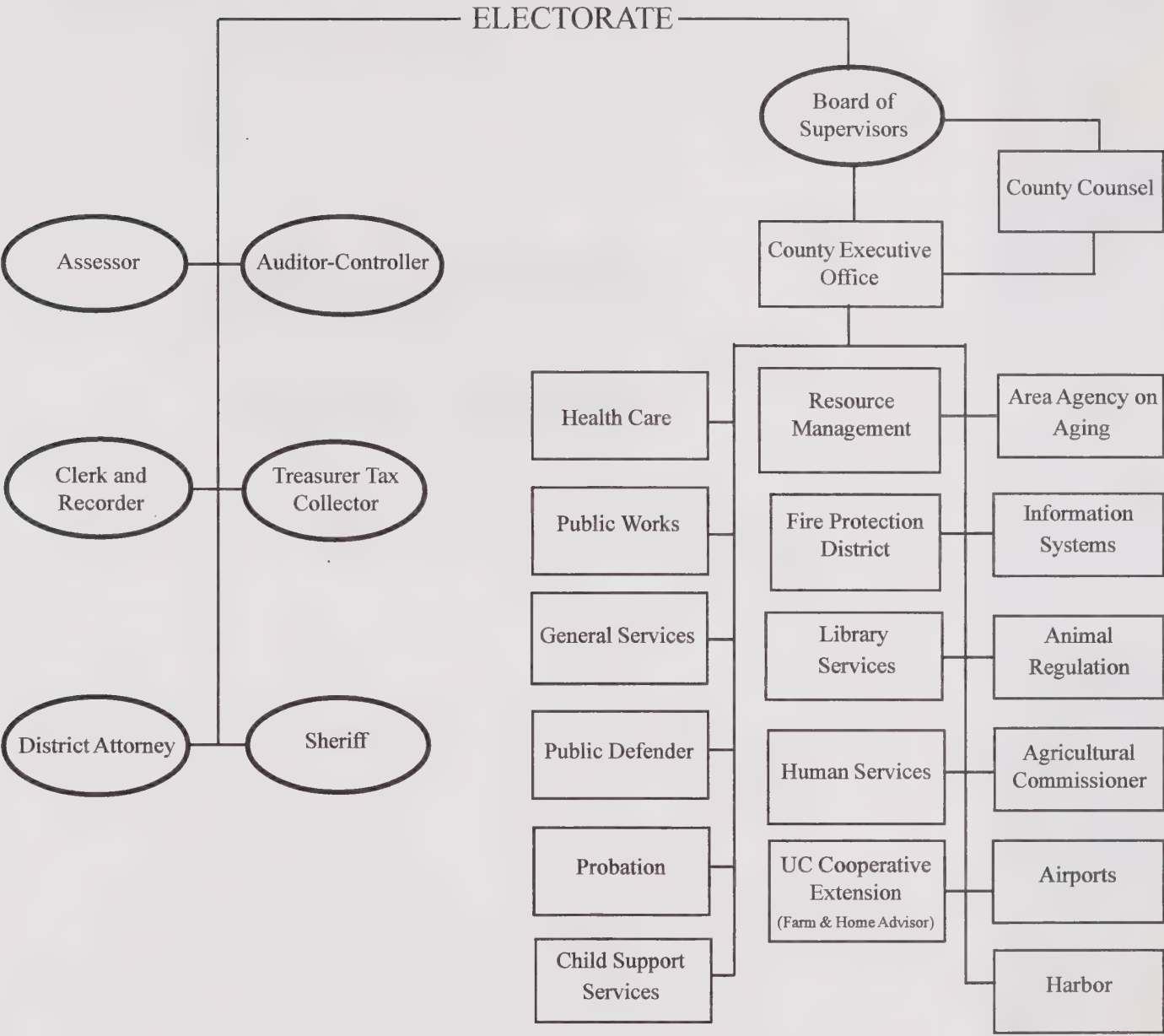
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|                                      |                    |
|--------------------------------------|--------------------|
| Agricultural Commission              | W. Earl McPhail    |
| Animal Regulation Department         | Kathy Jenks        |
| * Area Agency on Aging               | vacant             |
| County Counsel                       | Noel A. Klebaum    |
| County Executive Office              | John F. Johnston   |
| Department of Airports               | Scott E. Smith     |
| Department of Child Support Services | C. Stanley Trom    |
| Farm Advisor                         | Lawrence K. Yee    |
| Fire Protection District             | Bob Roper          |
| General Services Agency              | Paul W. Ruffin     |
| Harbor Department                    | Lyn Krieger        |
| Health Care Agency                   | Pierre Durand, DPA |
| Human Services Agency                | Ted Myers          |
| Information Systems Department       | J. Matthew Carroll |
| Library Services Agency              | Starrett Kreissman |
| Probation Agency                     | Calvin Remington   |
| Public Defender                      | Kenneth I. Clayman |
| Public Works Agency                  | Ronald Coons       |
| Resource Management Agency           | Thomas Berg        |

\* Victoria Jump was appointed on July 17, 2004

# COUNTY OF VENTURA

## ORGANIZATION CHART

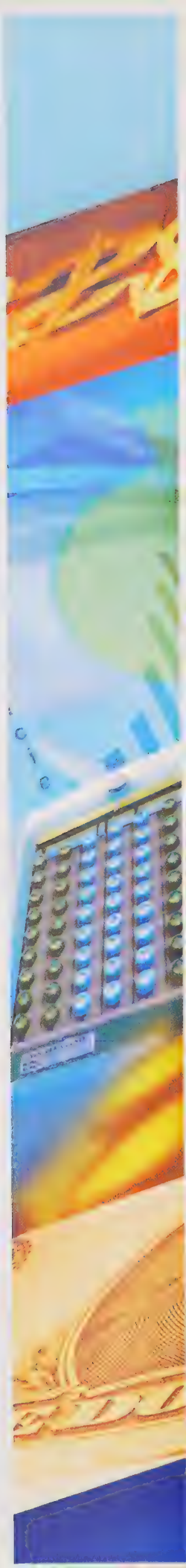


Elected

Appointed

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# FINANCIAL SECTION







KPMG LLP  
Suite 2000  
355 South Grand Avenue  
Los Angeles, CA 90071-1568

## Independent Auditors' Report

The Honorable Board of Supervisors  
County of Ventura, California:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Ventura, California (County), as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the basic financial statements of the Ventura County Employees' Retirement Association (VCERA), which statements are shown as the Pension Trust Fund and represent approximately 79% of the assets of the Fiduciary Funds. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for VCERA, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2004, and the respective change in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2004 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 19 through 36 and the required supplementary information on pages 97 through 104 are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

KPMG LLP

December 3, 2004

MANAGEMENT'S  
DISCUSSION  
AND ANALYSIS  
(UNAUDITED)





## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **(Unaudited)**

This section of the County of Ventura's (County) Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2004. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

### **FINANCIAL HIGHLIGHTS**

- The government-wide assets of the County (governmental and business-type) exceeded liabilities at the close of the 2003-2004 fiscal year by \$1,274,748,000 (*net assets*). Of this amount, \$273,015,000 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, \$60,654,000 is restricted for specific purposes (*restricted net assets*), and \$941,079,000 is *invested in capital assets, net of related debt*.
- The government's total net assets increased by \$102,748,000 during fiscal year 2003-04, primarily from governmental activities.
- As of June 30, 2004, the County governmental funds reported combined fund balances of \$331,708,000, an increase of \$21,187,000 in comparison with the prior year. Approximately 79 percent of the combined fund balances may be available to meet the County's current and future needs (*unreserved fund balance*). An analysis is required to determine the revenue status and availability of each fund.
- At the end of the fiscal year, unreserved fund balance for the general fund was \$78,793,000 or 12 percent of total general fund expenditures.
- The County's total long-term debt decreased by \$12,697,000 in comparison with the prior year. The debt was primarily decreased by the maturity of pension obligation bonds and tax-exempt commercial paper, offset by the issuance of Certificates of Participation to finance the purchase of the Gonzales Road building and the construction of the Juvenile Justice Complex Courthouse within governmental activities.

### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

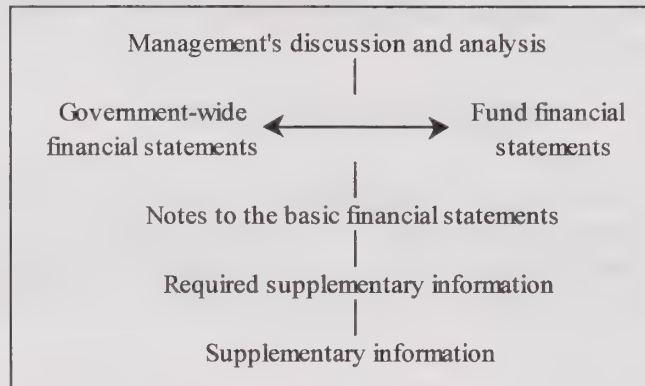
The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the basic financial statements.

Required supplementary information, supplementary information, and statistical information are also included in the CAFR.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following diagram displays the interrelationships of this report.



**Government-wide Financial Statements** The financial statements created by Governmental Accounting Standards Board Statement No. 34 (GASB 34) and its related Statements, GASB 37 and 38 and Interpretation No. 6, are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. The primary change for the *statement of net assets* and *statement of activities* is the use of the flow of economic resources measurement focus and accrual basis of accounting. The focus and basis emphasize the *long-term* view of the County's finances.

The *statement of net assets* presents information on all County assets and liabilities, with the differences between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements continue to include the following concepts:

- The government-wide statements include only those funds/entities representing resources available to the County. Therefore, the financial information for the trust funds for Ventura County Employees' Retirement Association (VCERA), Supplemental Retirement Plan (SRP), and the external investment trust are not included in the government-wide financial statements. The financial statements for the discretely presented component unit, Children and Families First Commission (Commission), are provided in a separate column.
- The statement of activities distinguishes functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*).

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- In addition the statement of activities compares the direct expenses and program revenue for each governmental function and each segment of business-type activities. The general revenue (non-program revenue) must then cover the net cost of the various activities. The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, and education. The business-type activities of the County include the hospital, utilities, recreation, airports, and medical insurance.
- Because the internal service funds primarily serve the governmental funds, the internal service funds' activity is eliminated with net balances also reported in the governmental activities column. Additional elimination of transfers and activity occur within the governmental activities and within the business-type activities.
- Component units are included in the basic financial statements and consist of legally separate entities for which the County is financially accountable. *Blended component units* have substantially the same governing board as the County or provide services entirely to the County and are reported on the fund statements and, if appropriate, as governmental activities on the government-wide financial statements. Examples include the Fire Protection District, the County's Watershed Protection Districts (flood control), and VCERA. The Commission is reported as a *discretely presented component unit* because the County Board appoints the commission board members to serve at will.

The government-wide financial statements can be found on pages 37-39 of this report.

**Fund Financial Statements** report on groupings of related funds and accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. A fund is a separate accounting classification with a self-balancing set of accounts. The County, like other state and local governments, uses fund accounting to demonstrate finance-related legal compliance.

There are several new treatments on the fund financial statements since implementation of GASB 34—emphasis on major funds, inclusion of all County agency funds within the applicable funds, and elimination of intra-fund activity.

- The fund financial statements emphasize *major funds* as determined by minimum criteria set forth in GASB Statement No. 34 with separate columns for each major fund. The non-major funds are presented in an aggregated single column on the governmental funds financial statements. There are four major governmental funds: the General Fund, Roads, Watershed Protection Districts, and the Fire Protection District. There are three major enterprise funds: Medical Center, Department of Airports and Waterworks Districts. Individual fund data for each of the non-major funds is provided in the form of *combining statements* elsewhere in this report.
- The GASB 34 fund financial statements include all balances of County funds held in agency funds with cash and other accounts recorded within the related fund. The remaining agency funds included in the fund financial statements contain amounts due to others outside of the government, such as property taxes to be distributed.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. The governmental funds include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent fund. However, unlike the government-wide financial statements, governmental funds financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. The focus and basis emphasize the *near-term inflows and outflows of spendable resources*, as well as the balances of *spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

The County maintains over sixty individual governmental funds in its financial system and presents them grouped by related activities as twenty-eight separate governmental funds on this report. The equity for fund financial statements continues to be displayed as reserved and unreserved fund balance. Purchase of capital assets and payment of principal on debt continue to be expensed on fund financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds financial statements can be found on pages 40-46 of this report.

**Proprietary funds** are maintained in two fund types—enterprise funds and internal service funds.

*Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Medical Center, Department of Airports, Waterworks Districts, Parks, Channel Islands Harbor Expansion, Channel Islands Harbor, the Ventura County Health Care Plan, and the Oak View School Preservation Fund. Over thirty enterprise funds are reported in the County's financial system and grouped by related activities as eight enterprise funds on this report. The major funds are presented in the proprietary fund financial statements with detail of non-major funds provided in the combining statements in the supplementary information section.

*Internal service funds* are used to accumulate and allocate costs for services provided to the County's various departments. The County uses internal service funds to account for its public works services, heavy equipment, transportation, general insurance (liability and workers' compensation), information systems, general services, employee benefits insurance, and personnel services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County's eight internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the *combining financial statements* in the supplementary information section.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The proprietary funds financial statements can be found on pages 47-50 of this report.

**Fiduciary funds**, including the *trust and agency funds*, are used to account for resources held for the benefit of parties outside the government. Trust funds include the VCERA and SRP pension plans and the investment trust fund which includes external users of the County's investment pool, the primary participant being the schools. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting basis used for trust funds is accrual, much like that used for proprietary funds. Agency funds are held for others and report only assets and liabilities.

The fiduciary funds financial statements can be found on pages 51-52 of this report.

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These informative notes can be found on pages 53-96 of this report and are also itemized in the Table of Contents.

**Required Supplementary Information** is presented including the required pension schedules and the major governmental funds budgetary schedules. The SRP schedule of funding progress and schedule of employer contributions demonstrate the SRP obligation to provide pension benefits to County employees. The VCERA schedules are provided in its own separate financial statements with certain information in Note 12 of the Notes to the Basic Financial Statements.

The County adopts an annual appropriated budget for its governmental funds as required by Government Code. In the required supplementary information section, a budgetary comparison schedule is provided for all the major funds to demonstrate compliance with the final budget. Due to the large number of funds and departments, a separate Departmental Budget Report of Revenues and Expenditures – Budget and Actual on a Budgetary Basis has been prepared. The separate report is at the department/budget unit, function, and object level for those funds for which the County is legally required to adopt a budget. This document is available from the Auditor-Controller's office, 800 South Victoria, Ventura, CA 93009-1540.

Required supplementary information can be found on pages 97-104 of this report.

**Supplementary Information** includes the combining and individual fund statements, budgetary comparison schedules for all governmental funds for which the County is legally required to adopt a budget, schedules to provide information for non-major governmental, enterprise, and individual internal service funds beginning on page 105 of this report. Statistical information is also provided beginning on page 169 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Government-wide Summary of Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,274,748,000 at the close of the most recent fiscal year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

A summary of net assets is as follows:

Summary of Net Assets  
June 30, 2004 and 2003  
(In Thousands)

|                                                    | Governmental<br>Activities |                     | Business-type<br>Activities |                   | Total               |                     | Percent<br>Change |
|----------------------------------------------------|----------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|-------------------|
|                                                    | 2004                       | 2003                | 2004                        | 2003              | 2004                | 2003                |                   |
| Assets:                                            |                            |                     |                             |                   |                     |                     |                   |
| Current and other assets                           | \$ 678,899                 | \$ 604,826          | \$ 96,247                   | \$ 98,610         | \$ 775,146          | \$ 703,436          | 10%               |
| Capital assets                                     | 908,951                    | 857,888             | 162,821                     | 153,589           | 1,071,772           | 1,011,477           | 6%                |
| Total assets                                       | <u>\$ 1,587,850</u>        | <u>\$ 1,462,714</u> | <u>\$ 259,068</u>           | <u>\$ 252,199</u> | <u>\$ 1,846,918</u> | <u>\$ 1,714,913</u> | 8%                |
| Liabilities:                                       |                            |                     |                             |                   |                     |                     |                   |
| Current and other liabilities                      | \$ 277,732                 | \$ 241,155          | \$ 28,324                   | \$ 22,947         | \$ 306,056          | \$ 264,102          | 16%               |
| Long-term liabilities                              | 225,023                    | 236,590             | 41,091                      | 42,221            | 266,114             | 278,811             | (5)%              |
| Total liabilities                                  | <u>502,755</u>             | <u>477,745</u>      | <u>69,415</u>               | <u>65,168</u>     | <u>572,170</u>      | <u>542,913</u>      | 5%                |
| Net assets:                                        |                            |                     |                             |                   |                     |                     |                   |
| Invested in capital assets,<br>net of related debt | 809,520                    | 673,941             | 131,559                     | 126,819           | 941,079             | 800,760             | 18%               |
| Restricted net assets                              | 52,022                     | 51,980              | 8,632                       | 14,443            | 60,654              | 66,423              | (9)%              |
| Unrestricted net assets                            | 223,553                    | 259,048             | 49,462                      | 45,769            | 273,015             | 304,817             | (10)%             |
| Total net assets                                   | <u>1,085,095</u>           | <u>984,969</u>      | <u>189,653</u>              | <u>187,031</u>    | <u>1,274,748</u>    | <u>1,172,000</u>    | 9%                |
| Total liabilities and net assets                   | <u>\$ 1,587,850</u>        | <u>\$ 1,462,714</u> | <u>\$ 259,068</u>           | <u>\$ 252,199</u> | <u>\$ 1,846,918</u> | <u>\$ 1,714,913</u> | 8%                |

Net assets include three components: *Invested in capital assets net of related debt, restricted net assets and unrestricted net assets.*

A significant component of the County's net assets totaling \$941,079,000 (73.8 percent) reflects the County's investment in capital assets net of accumulated depreciation (land, structures, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another component of the County's net assets, restricted net assets of \$60,654,000 (4.8 percent) represents resources that are subject to external restrictions on how they may be used. Unspent proceeds of borrowings for County projects in governmental and business-type activities are offset by restricted net assets. In addition, restricted funding received in advance of expenses are also reported as restricted net assets. Therefore, these net assets are not available for other uses by the County.

The third portion of the County's net assets represents unrestricted net assets of \$273,015,000 (21.4 percent) which may be used to meet the County's ongoing obligations to citizens and creditors.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities.

The County's net assets increased by \$102,748,000 during the current fiscal year due to several factors, among which was the settlement of a disputed 93/94 ERAF shift which provided \$29,826,000 of property taxes to the Fire Protection District, in addition to increases resulting from the growth in assessed valuation of real property. Additional accrued revenues relating to unreimbursed SB 90 mandated claims and the Vehicle License Fee backfill also contributed to the increase in the County's net assets. A reconciliation in the basic financial statements between government-wide and fund financial statements is provided following the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for governmental funds and the Statement of Revenues, Expenses and Changes in Net Assets for proprietary funds.

### **Government-wide Summary of Activities**

The following table depicts the revenue, expenses, and changes in net assets for governmental and business-type activities. Among the major changes in revenue for the County as a whole were an increase in charges for services, operating grants, and property taxes. Among major changes to expenses were increased costs recognized in general government, public protection, and public assistance, as well as Medical Center, Health Care Plan, and Channel Islands Harbor, and decreased costs in public ways and facilities and health and sanitation. Other areas showed smaller changes from the prior year. To enhance year to year comparability, some reclassifications were made from general to program revenues for 2002-03, based on additional information obtained in 2003-04.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(CONTINUED)**

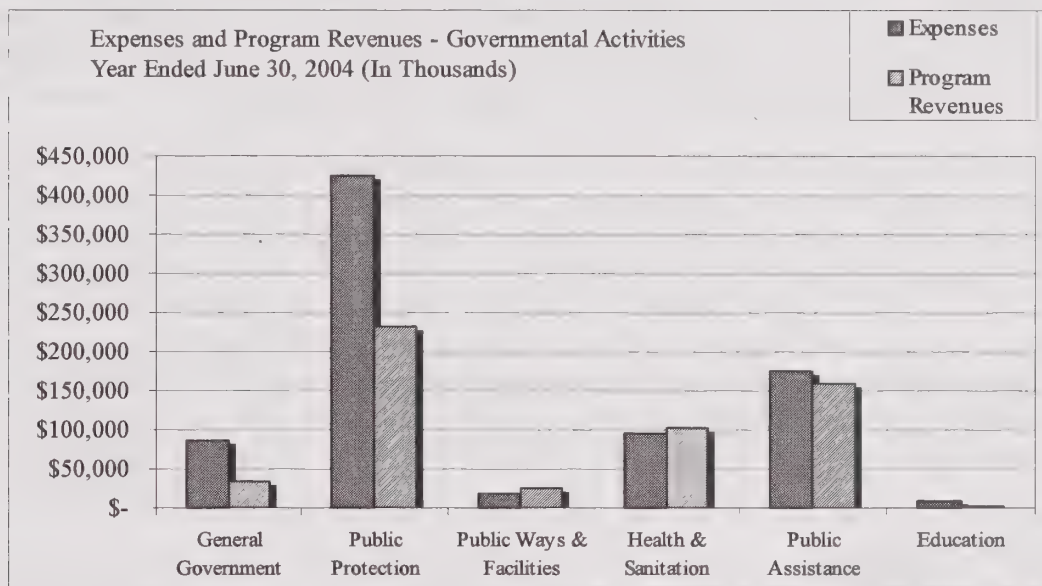
Summary of Activities  
For the Year Ended June 30, 2004 and 2003  
(In Thousands)

|                                                                                             | Governmental<br>Activities |                  | Business-type<br>Activities |                  | Total              |                    | Total<br>Percent<br>Change |
|---------------------------------------------------------------------------------------------|----------------------------|------------------|-----------------------------|------------------|--------------------|--------------------|----------------------------|
|                                                                                             | 2004                       | 2003             | 2004                        | 2003             | 2004               | 2003               |                            |
| Revenues:                                                                                   |                            |                  |                             |                  |                    |                    |                            |
| Program revenues:                                                                           |                            |                  |                             |                  |                    |                    |                            |
| Charges for services                                                                        | \$ 174,065                 | \$ 154,088       | \$ 190,615                  | \$ 166,098       | \$ 364,680         | \$ 320,186         | 14%                        |
| Operating grants and contributions                                                          | 358,170                    | 321,971          | -                           | 277              | 358,170            | 322,248            | 11%                        |
| Capital grants and contributions                                                            | 21,181                     | 37,141           | 2,614                       | 3,804            | 23,795             | 40,945             | (42)%                      |
| General revenues:                                                                           |                            |                  |                             |                  |                    |                    |                            |
| Property taxes                                                                              | 247,197                    | 198,771          | -                           | 63               | 247,197            | 198,834            | 24%                        |
| Other taxes                                                                                 | 17,006                     | 20,326           | -                           | -                | 17,006             | 20,326             | (16)%                      |
| Motor vehicle in-lieu taxes                                                                 | 63,313                     | 57,919           | -                           | -                | 63,313             | 57,919             | 9%                         |
| Aid from other governmental units                                                           | 4,992                      | 10,021           | -                           | -                | 4,992              | 10,021             | (50)%                      |
| Interest and investment earnings                                                            | 4,197                      | 6,668            | 435                         | 1,155            | 4,632              | 7,823              | (41)%                      |
| Other                                                                                       | 33,556                     | 34,058           | 152                         | (1,312)          | 33,708             | 32,746             | 3%                         |
| Total revenues                                                                              | <u>923,677</u>             | <u>840,963</u>   | <u>193,816</u>              | <u>170,085</u>   | <u>1,117,493</u>   | <u>1,011,048</u>   | 11%                        |
| Expenses:                                                                                   |                            |                  |                             |                  |                    |                    |                            |
| General government                                                                          | 85,260                     | 65,660           | -                           | -                | 85,260             | 65,660             | 30%                        |
| Public protection                                                                           | 425,976                    | 393,841          | -                           | -                | 425,976            | 393,841            | 8%                         |
| Public ways and facilities                                                                  | 17,225                     | 24,207           | -                           | -                | 17,225             | 24,207             | (29)%                      |
| Health and sanitation services                                                              | 94,522                     | 102,814          | -                           | -                | 94,522             | 102,814            | (8)%                       |
| Public assistance                                                                           | 175,989                    | 158,893          | -                           | -                | 175,989            | 158,893            | 11%                        |
| Education                                                                                   | 8,122                      | 8,047            | -                           | -                | 8,122              | 8,047              | 1%                         |
| Interest on long-term debt                                                                  | 10,734                     | 12,195           | -                           | -                | 10,734             | 12,195             | (12)%                      |
| Medical Center                                                                              | -                          | -                | 145,798                     | 131,460          | 145,798            | 131,460            | 11%                        |
| Department of Airports                                                                      | -                          | -                | 5,411                       | 4,146            | 5,411              | 4,146              | 31%                        |
| Waterworks - Water and Sewer                                                                | -                          | -                | 18,009                      | 16,544           | 18,009             | 16,544             | 9%                         |
| Parks Department                                                                            | -                          | -                | 2,610                       | 2,622            | 2,610              | 2,622              | (0)%                       |
| Channel Islands Harbor Expansion                                                            | -                          | -                | 1,299                       | 1,077            | 1,299              | 1,077              | 21%                        |
| Channel Islands Harbor                                                                      | -                          | -                | 6,833                       | 5,518            | 6,833              | 5,518              | 24%                        |
| Health Care Plan                                                                            | -                          | -                | 16,890                      | 15,078           | 16,890             | 15,078             | 12%                        |
| Oak View School Preservation                                                                | -                          | -                | 67                          | 81               | 67                 | 81                 | (17)%                      |
| Total expenses                                                                              | <u>817,828</u>             | <u>765,657</u>   | <u>196,917</u>              | <u>176,526</u>   | <u>1,014,745</u>   | <u>942,183</u>     | 8%                         |
| Excess (deficiency) before permanent<br>fund contributions, special items, and<br>transfers | 105,849                    | 75,306           | (3,101)                     | (6,441)          | 102,748            | 68,865             | 49%                        |
| Permanent fund contributions                                                                | -                          | 1,122            | -                           | -                | -                  | 1,122              | (100)%                     |
| Special item                                                                                | -                          | 9,970            | -                           | -                | -                  | 9,970              | (100)%                     |
| Transfers                                                                                   | (5,723)                    | (12,739)         | 5,723                       | 12,739           | -                  | -                  | 0%                         |
| Change in net assets                                                                        | 100,126                    | 73,659           | 2,622                       | 6,298            | 102,748            | 79,957             | 29%                        |
| Net assets - July 1, 2003                                                                   | <u>984,969</u>             | <u>911,310</u>   | <u>187,031</u>              | <u>180,733</u>   | <u>1,172,000</u>   | <u>1,092,043</u>   | 7%                         |
| Net assets - June 30, 2004                                                                  | <u>\$1,085,095</u>         | <u>\$984,969</u> | <u>\$189,653</u>            | <u>\$187,031</u> | <u>\$1,274,748</u> | <u>\$1,172,000</u> | 9%                         |

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Governmental activities.** Governmental activities as reflected in the Statement of Activities increased the County's net assets by \$100,126,000, thereby accounting for 97 percent of the total growth in the County's net assets. The statement of activities displays the direct expenses and the program revenues for the governmental and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including almost all taxes, are presented as general revenues. Sales tax and vehicle license fee monies for health and welfare realignment and public safety are defined as program revenue.

The bar chart below depicts the relationships of the direct expenses to program revenues:



**Revenues.** Total revenues from governmental activities increased by 10 percent from the prior year.

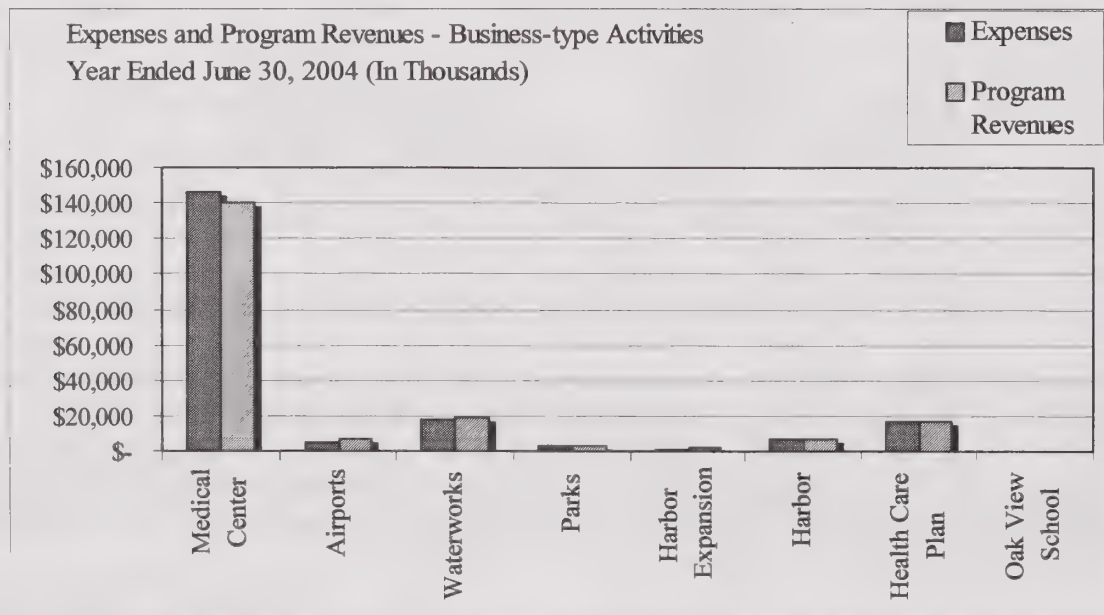
- Operating grants and contributions are revenues received from entities outside of the County, primarily state and federal agencies, and are generally restricted to one or more specific programs. In 2003-04, the County reported \$358,170,000 in operating grants and contributions, representing the largest revenue source for governmental activities. Public assistance, public protection, and health and sanitation services received 91 percent of the funding in fiscal year 2003-04. Operating grants and contributions provided 65 percent of total program revenues in the current year.
- Charges for services are revenues earned from providing goods, services, or privileges to external customers. Public protection generated \$119,318,000, or 69 percent, of the total of \$174,065,000. Among the major sources are contracted law enforcement services provided by the Sheriff's Department to several cities; emergency and contract services performed by the Fire Protection District for various governmental agencies; and various assessments generated by the Watershed Protection Districts. Charges for services provided 31 percent of total program revenues in 2003-04.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- Capital grants and contributions of \$21,181,000 represented the smallest source of program revenues in 2003-04 at 4 percent of total program revenues. The largest portion was received for public ways and facilities primarily for the construction and acquisition of infrastructure capital assets.
- General revenue for governmental activities primarily consisted of taxes, other revenues, and investment earnings. Property tax revenue is the largest source of general revenue with \$247,197,000 reported in 2003-04, an increase of 24 percent from 2002-03. The increase is primarily attributable to the return by the State to the Fire Protection District of over \$29 million in property taxes incorrectly shifted in 1993-94 to the Education Revenue Augmentation Fund, in combination with growth in assessed property values.

**Expenses.** Total program expenses for governmental activities were \$817,828,000 for the current fiscal year as compared to \$765,657,000 for the prior fiscal year, an increase of 7 percent. Public protection at \$425,976,000 accounted for 52 percent of total expenses for governmental activities. Public assistance expenses were \$175,989,000, or 22 percent, followed by health and sanitation services at \$94,522,000, or 12 percent, general government at \$85,260,000, or 10 percent, and various other costs of \$36,081,000, or 4 percent, of total expenses.

**Business-type activities.** Business-type activities increased net assets by \$2,622,000 or 3 percent of the total growth in the County's net assets. The bar chart below depicts the relationships of the business-type activities direct expenses to program revenues:



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Revenues.** The County has three major business-type activities: The Medical Center, Department of Airports, and Waterworks-Water and Sewer. Business-type activities recover a significant portion of their costs through user fees and charges. For the current year, 98 percent, or \$190,615,000, of total program and general revenues were generated from charges for services, the same percentage as in the prior fiscal year. The Medical Center accounted for 72 percent of total revenues for business-type activities at \$140,130,000, the same percentage as in the prior fiscal year.

**Expenses.** Total expenses for business-type activities were \$196,917,000 in 2003-04 compared to \$176,526,000 in 2002-03, representing an increase of about 12 percent. About 74 percent of total expenses, or \$145,798,000, were incurred by the Medical Center, the same percentage as the prior year. The Health Care Plan and Waterworks-Water and Sewer activities, at \$34,899,000, accounted for 18 percent of the total cost. The remaining 8 percent of expenses were incurred by the Department of Airports, Parks, Channel Islands Harbor and Harbor Expansion, and the Oak View School Preservation business activities, with a combined total of \$16,220,000.

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The County's general government functions are accounted for in the County's general, special revenue, debt service, capital projects, and permanent funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the County's financing requirements. Types of major governmental funds reported by the County include the General Fund, Roads Fund, Watershed Protection Districts, and the Fire Protection District.

At June 30, 2004, the County's governmental funds reported combined fund balances of \$331,708,000, an increase of \$21,187,000 compared with the prior year. Approximately 79 percent of the combined fund balances, \$262,321,000, are unreserved and available to meet the County's current and future needs. A significant portion of these unreserved fund balances (\$80,768,000) are designated by the Board of Supervisors (Board) for uses in the next fiscal year, such as contingencies, capital asset acquisition and replacement, watershed protection projects, and future year financing needs.

Revenues for governmental functions totaled \$908,517,000 in the year ended June 30, 2004, representing an increase of about 6 percent from the fiscal year ended June 30, 2003, largely attributable to an increase in property taxes. Expenditures for governmental functions, at \$918,313,000, increased 8 percent from the fiscal year ended June 30, 2003, with the largest increase reported in the public protection function.

#### GENERAL FUND

At June 30, 2004, the General Fund, the County's principal operating fund, had an unreserved fund balance of \$78,793,000, of which \$39,561,000 were designated for future year uses. Total fund balance was \$113,324,000. As a measure of the General Fund's liquidity, it may be useful to compare the unreserved, undesignated and total fund balances to total General Fund expenditures and other financing uses. The General Fund unreserved, undesignated fund balance of \$39,232,000 represents 6 percent of total expenditures, while total fund balance represents 18 percent of that same total.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### ROADS FUND - SPECIAL REVENUE FUND

This fund accounts for planning, design, construction, maintenance, and administration of County roads. It also engages in traffic safety and other transportation planning activities. Revenues consist primarily of state and federal grants and the County's share of state highway use taxes and sales taxes. At June 30, 2004, this fund had an unreserved fund balance of \$42,112,000, of which \$6,750,000 were designated by the Board for future year financing needs.

### WATERSHED PROTECTION DISTRICTS - SPECIAL REVENUE FUND

The function of this fund is the control of flood and storm waters and the conservation of such waters for beneficial public use. The unreserved fund balance at June 30, 2004 was \$91,275,000, including \$26,695,000 designated by the Board primarily for watershed protection projects and future year financing needs.

### FIRE PROTECTION DISTRICT - SPECIAL REVENUE FUND

The Fire Protection District provides fire protection to the unincorporated areas of the County as well as the cities of Camarillo, Moorpark, Ojai, Port Hueneme, Simi Valley, and Thousand Oaks. Support is derived principally from property taxes. This fund had an unreserved fund balance of \$41,087,000, of which \$4,998,000 were designated by the Board for capital asset acquisitions and replacements and future year financing needs.

### NON-MAJOR GOVERNMENTAL FUNDS

Other governmental funds had unreserved fund balances totaling \$9,054,000, including designated fund balances for various projects and future year financing needs of \$2,764,000.

Note 11 - Net Assets/ Fund Balances provides additional information on reserved and designated fund balances.

The following schedule presents a summary of revenues and other financing sources, expenditures and other financing uses, and net changes in fund balances for the County's major and non-major funds for the current and previous fiscal years.

Governmental Funds  
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances  
For the Years Ended June 30, 2004 and 2003  
(In Thousands)

|                                | Revenues and Other<br>Financing Sources |                   | Expenditures and Other<br>Financing Uses |                   | Net Change in<br>Fund Balances |                  | Increase<br>(Decrease)<br>Change |
|--------------------------------|-----------------------------------------|-------------------|------------------------------------------|-------------------|--------------------------------|------------------|----------------------------------|
|                                | 2004                                    | 2003              | 2004                                     | 2003              | 2004                           | 2003             |                                  |
| General Fund                   | \$ 674,248                              | \$ 652,218        | \$ 680,474                               | \$ 641,748        | \$ (6,226)                     | \$ 10,470        | \$ (16,696)                      |
| Roads                          | 26,113                                  | 29,705            | 25,608                                   | 32,124            | 505                            | (2,419)          | 2,924                            |
| Watershed Protection Districts | 37,369                                  | 29,575            | 26,936                                   | 20,708            | 10,433                         | 8,867            | 1,566                            |
| Fire Protection District       | 119,267                                 | 80,046            | 94,865                                   | 76,190            | 24,402                         | 3,856            | 20,546                           |
| Juvenile Justice Complex *     | -                                       | 15,726            | -                                        | 23,747            | -                              | (8,021)          | 8,021                            |
| Non-major funds                | 155,011                                 | 114,644           | 162,938                                  | 107,136           | (7,927)                        | 7,508            | (15,435)                         |
| Total                          | <u>\$ 1,012,008</u>                     | <u>\$ 921,914</u> | <u>\$ 990,821</u>                        | <u>\$ 901,653</u> | <u>\$ 21,187</u>               | <u>\$ 20,261</u> | <u>\$ 926</u>                    |

\* The Juvenile Justice Complex fund was a major fund in 2003 and a non-major fund in 2004. Therefore, its revenue, expenditures, other financing sources and uses and change in fund balance are included in the amount for non-major funds for 2004.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **GENERAL FUND**

At June 30, 2004, there was a decrease of \$16,696,000 in net change in fund balances. Among the factors contributing to this decrease are the continuing performance by the County of SB 90 mandates without reimbursement from the State, the suspension of the State's Vehicle License Fee backfill payments (VLF Backfill Gap Loan) for a three-month period, and the imposition by the State of a portion of its federal penalty relating to the child support services program. Partially offsetting these losses was an increase in property tax revenues due to the continuing strength of the real estate market in the County.

### **ROADS**

The increase of \$2,924,000 in net change in fund balances at June 30, 2004 was primarily the result of the completion of repairs and maintenance projects in fiscal year 2002-03.

### **WATERSHED PROTECTION DISTRICTS**

The Districts' increase in net change in fund balances of \$1,566,000 was the result of an increase in revenue from the sale of real estate offset by an increase in expenditures primarily due to several construction projects during fiscal year 2003-04, principally the Moorpark Wastewater Treatment Plant expansion.

### **FIRE PROTECTION DISTRICT**

The increase in net change in fund balances of \$20,546,000 at June 30, 2004 was principally attributable to the return of property taxes from the State resulting from a court judgment affirming the County's revised calculation of the 93/94 ERAF shift, offset by increased capital outlay for projects including stations 42, 43, and 56; the Latigo project; and the Fire Communications Center and Headquarters remodels.

### **NON-MAJOR GOVERNMENTAL FUNDS**

The net decrease in net change in fund balances of \$15,435,000 was primarily due to increased capital outlay in 2003-04 offset by the receipt of state reimbursement for 2002-03 capital outlay for the Juvenile Justice Complex.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(CONTINUED)**

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide business-type activity financial statements, but in more detail. The table below depicts current year and prior year Enterprise Fund actual revenues, expenses and changes in net assets:

Summary of Revenues, Expenses, and Changes in Fund Net Assets  
Enterprise Funds  
Year Ended June 30, 2004  
(In Thousands)

|                                        | Major Funds    |                        |                      | Non-major Funds  |                        |                        |                  |                              | Total     |
|----------------------------------------|----------------|------------------------|----------------------|------------------|------------------------|------------------------|------------------|------------------------------|-----------|
|                                        | Medical Center | Department of Airports | Waterworks Districts | Parks Department | C. I. Harbor Expansion | Channel Islands Harbor | Health Care Plan | Oak View School Preservation |           |
| Operating revenues                     | \$140,130      | \$ 4,716               | \$ 18,286            | \$ 2,151         | \$ 1,663               | \$6,695                | \$16,822         | \$ 150                       | \$190,613 |
| Operating expenses                     | (145,240)      | (5,311)                | (18,120)             | (2,517)          | (1,186)                | (6,841)                | (16,856)         | (58)                         | (196,129) |
| Operating income (loss)                | (5,110)        | (595)                  | 166                  | (366)            | 477                    | (146)                  | (34)             | 92                           | (5,516)   |
| Non-operating revenues (expenses), net | (701)          | 1,893                  | 501                  | 395              | (68)                   | (5)                    | 17               | (7)                          | 2,025     |
| Income (loss) before transfers         | (5,811)        | 1,298                  | 667                  | 29               | 409                    | (151)                  | (17)             | 85                           | (3,491)   |
| Transfers                              | 5,420          | -                      | (104)                | 193              | (464)                  | 678                    | -                | -                            | 5,723     |
| Change in net assets                   | (391)          | 1,298                  | 563                  | 222              | (55)                   | 527                    | (17)             | 85                           | 2,232     |
| Net assets - beginning                 | 38,911         | 35,052                 | 88,795               | 12,562           | 6,006                  | 4,328                  | 1,420            | 570                          | 187,644   |
| Net assets - ending                    | \$ 38,520      | \$ 36,350              | \$ 89,358            | \$12,784         | \$ 5,951               | \$4,855                | \$ 1,403         | \$ 655                       | \$189,876 |

Summary of Revenues, Expenses, and Changes in Fund Net Assets  
Enterprise Funds  
Year Ended June 30, 2003  
(In Thousands)

|                                        | Major Funds    |                        |                      | Non-major Funds  |                        |                        |                  |                              | Total     |
|----------------------------------------|----------------|------------------------|----------------------|------------------|------------------------|------------------------|------------------|------------------------------|-----------|
|                                        | Medical Center | Department of Airports | Waterworks Districts | Parks Department | C. I. Harbor Expansion | Channel Islands Harbor | Health Care Plan | Oak View School Preservation |           |
| Operating revenues                     | \$122,878      | \$ 3,547               | \$ 16,239            | \$ 2,122         | \$ 1,617               | \$4,283                | \$15,274         | \$ 138                       | \$166,098 |
| Operating expenses                     | (130,463)      | (4,100)                | (16,310)             | (2,602)          | (953)                  | (5,442)                | (15,067)         | (67)                         | (175,004) |
| Operating income (loss)                | (7,585)        | (553)                  | (71)                 | (480)            | 664                    | (1,159)                | 207              | 71                           | (8,906)   |
| Non-operating revenues (expenses), net | (287)          | 1,166                  | 2,510                | (1,081)          | (17)                   | 169                    | 67               | 489                          | 3,016     |
| Income (loss) before transfers         | (7,872)        | 613                    | 2,439                | (1,561)          | 647                    | (990)                  | 274              | 560                          | (5,890)   |
| Transfers                              | 12,022         | -                      | (46)                 | 265              | -                      | 488                    | -                | 10                           | 12,739    |
| Change in net assets                   | 4,150          | 613                    | 2,393                | (1,296)          | 647                    | (502)                  | 274              | 570                          | 6,849     |
| Net assets - beginning                 | 34,761         | 34,439                 | 86,402               | 13,858           | 5,359                  | 4,830                  | 1,146            | -                            | 180,795   |
| Net assets - ending                    | \$ 38,911      | \$ 35,052              | \$ 88,795            | \$12,562         | \$ 6,006               | \$4,328                | \$ 1,420         | \$ 570                       | \$187,644 |

The net loss before transfers of (\$3,491,000) for all enterprise funds resulted primarily from a net loss of (\$5,811,000) for the Medical Center. The net loss for the Medical Center before contributions and transfers decreased by \$2,061,000 when compared to the prior year.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

#### **Original Budget Compared to Final Budget, June 30, 2004**

Appropriations for the General Fund final budget, including transfers out, exceeded the original budget by \$43,233,000. Some of the larger changes are summarized below.

Approximately \$12,896,000 of the increase was attributable to higher estimates of salaries and benefits and services and supplies related to various public protection, health and sanitation, and public assistance programs, offset by reductions in general government. Other charges increased by \$14,268,000 primarily due to a higher estimate of intergovernmental transfers to the State relating to the SB 855 program. Capital outlay increased by about \$15,806,000 primarily due to the planned acquisition of the Gonzales Road building for the Health Care Agency and construction of the Lang dam. Debt service and contingency accounted for a decrease of about \$9,386,000 and transfers out had an increase of \$9,649,000 as certain debt service is reported in non-major debt service funds.

Estimated revenues for the General Fund final budget, including transfers in and proceeds from debt, exceeded the original budget by \$45,764,000. The larger changes are described as follows: Aid from other governmental units increased by \$18,426,000 as a result of increased funding for various public protection, public assistance, and health and sanitation programs; proceeds from debt increased by \$13,514,000 primarily due to financing for the Human Resources Payroll System and the Gonzales Road building; and transfers in increased by \$8,789,000 primarily related to the SB 855 program.

#### **Final Budget Compared to Actual Expenditures and Revenues, June 30, 2004**

The final budget appropriations exceeded actual expenditures including transfers out by \$64,845,000 while the final budget estimated revenues exceeded actual revenues including transfers in and proceeds of debt by \$48,172,000. The resulting combined positive budgetary variance was \$16,673,000. The largest revenue shortage was \$25,020,000 in aid from other governmental units due to related expenditures not incurred. The largest expenditure savings were \$30,614,000 in services and supplies and \$14,906,000 in salaries and benefits.

Budgetary information is included in the Required Supplementary Information (RSI) section including Notes to the RSI.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets - Government-wide Financial Statements**

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2004, (at cost) amounted to \$1,417,242,000 or \$1,071,772,000 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, structures and improvements, equipment, vehicles, infrastructure, and construction in progress. The total increase in the County's investment in capital assets for the current period was 18 percent.

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year (in thousands):

|                             | Governmental activities |                     | Business-type activities |                   | Total               |                     | Increase<br>Percent<br>of Change |
|-----------------------------|-------------------------|---------------------|--------------------------|-------------------|---------------------|---------------------|----------------------------------|
|                             | 2004                    | 2003                | 2004                     | 2003              | 2004                | 2003                |                                  |
| Land and improvements       | \$ 215,532              | \$ 208,319          | \$ 52,301                | \$ 48,965         | \$ 267,833          | \$ 257,284          | 4.10%                            |
| Structures and improvements | 354,259                 | 275,469             | 138,504                  | 125,823           | 492,763             | 401,292             | 22.79%                           |
| Equipment                   | 115,138                 | 98,423              | 28,696                   | 27,175            | 143,834             | 125,598             | 14.52%                           |
| Vehicles                    | 63,354                  | 60,829              | 529                      | 529               | 63,883              | 61,358              | 4.12%                            |
| Infrastructure              | 348,999                 | 340,951             | -                        | -                 | 348,999             | 340,951             | 2.36%                            |
| Construction in progress    | 67,011                  | 111,065             | 32,919                   | 34,510            | 99,930              | 145,575             | (31.35%)                         |
| Total                       | <u>\$ 1,164,293</u>     | <u>\$ 1,095,056</u> | <u>\$ 252,949</u>        | <u>\$ 237,002</u> | <u>\$ 1,417,242</u> | <u>\$ 1,332,058</u> | 6.39%                            |

Major capital asset events during the current fiscal year included the following:

Construction in progress had a net decrease of \$45,645,000. Additions included the Juvenile Justice Complex project (\$2,443,000), Juvenile Justice Courthouse project (\$9,728,000), Watershed Protection project (\$9,712,000), Medical Center improvements (\$6,798,000), Road construction projects (\$9,483,000), Fire Protection District projects (\$6,360,000), and various other projects (\$18,908,000). Construction in progress was reduced by \$109,077,000 including transfers of completed projects of \$108,934,000 to structures and improvements and equipment.

The County's infrastructure assets for both the watershed protection network and the roads network are recorded at historical cost in the government-wide financial statements as required by GASB 34.

Additional information on capital asset activity is provided in Note 7 of the Notes to the Basic Financial Statements.

### **Debt Administration - Government-wide Financial Statements**

At June 30, 2004, the County had total debt outstanding of \$209,998,000, excluding capital leases, compensated absences and other liabilities. The following table summarizes the categories of debt. During the year, retirement of debt amounted to \$43,235,000. Additions amounted to \$30,663,000. The following table summarizes the debt outstanding balances at June 30, 2004 and 2003 (in thousands):

|                                                          | Governmental<br>Activities |                   | Business-type<br>Activities |                  | Total             |                   |
|----------------------------------------------------------|----------------------------|-------------------|-----------------------------|------------------|-------------------|-------------------|
|                                                          | 2004                       | 2003              | 2004                        | 2003             | 2004              | 2003              |
| General obligation bonds                                 | \$ -                       | \$ 295            | \$ -                        | \$ 45            | \$ -              | \$ 340            |
| Certificates of participation<br>and lease revenue bonds | 77,354                     | 52,823            | 29,051                      | 30,587           | 106,405           | 83,410            |
| Tax exempt commercial paper                              | 21,659                     | 40,314            | 3,341                       | 3,485            | 25,000            | 43,799            |
| Loans payable                                            | 999                        | 1,666             | 4,124                       | 4,055            | 5,123             | 5,721             |
| Pension obligation bonds                                 | 73,470                     | 89,300            | -                           | -                | 73,470            | 89,300            |
|                                                          | <u>\$ 173,482</u>          | <u>\$ 184,398</u> | <u>\$ 36,516</u>            | <u>\$ 38,172</u> | <u>\$ 209,998</u> | <u>\$ 222,570</u> |

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the fiscal year 2003-04, County debt limit is determined by statute at 1.25 percent of total assessed valuation or approximately \$904,356,000. All general bonded debt was paid in full as of June 30, 2004. The general obligation debt subject to the debt limit is \$209,998,000 which is under the limit by \$694,358,000.

The County's debt utilization policy establishes the review process by the Financial Planning Committee before submission to the Board of Supervisors and central coordination by the County Executive Officer. The policy outlines a fiscally conservative basis for borrowing to include short-term needs and borrowing for certain assets with substantial economic lives. The benchmarks include County debt outstanding at less than one percent of the assessed valuation and debt service payments not greater than six percent of total General Fund expenditures.

The County, like other local governments, has an annual borrowing program which finances operations during periods of low cash flows due to periodic collection dates for property taxes. On July 3, 2003, the County issued \$105,000,000 in Tax and Revenue Anticipation Notes (TRANs). Standard & Poor's Corporation and Moody's Investors Services gave the TRANs the highest rating for short-term securities of SP-1+ and MIG 1, respectively. At June 30, 2004, the outstanding balance was \$105,000,000 and was paid with interest on July 2, 2004, the maturity date of the notes.

Additional information on long-term debt activity is provided in Note 10 of the Notes to the Basic Financial Statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- The fiscal year 2004-05 adopted budget for all County funds totals \$1,369,247,000, a 7.5 percent increase when compared to the prior year. The General Fund 2004-05 budget of \$741,435,000 was structurally balanced using projected ongoing available financing sources. Year-end fund balance is not considered an ongoing financing source and is used to finance reserve and designation adjustments and one-time expenditures.
- The final State budget incorporates the agreement between the State Administration and local government advocates to help solve the state fiscal crisis through temporary shifts of property taxes from local governments to the Education Revenue Augmentation Fund (ERAF III) for fiscal years 2004-05 and 2005-06. The County's loss under ERAF III for 2004-05 is \$7,086,000.
- Additional new impacts to the County's 2004-05 budget from the passage of SB 1096 result from the exchange of a portion of local governments' sales taxes (Triple Flip) and Vehicle Licensee Fees for an equal amount of property taxes. The impact is intended to be revenue-neutral; however, the County's cash flow will be affected by this exchange of monthly revenues for biannual property taxes.
- Total assessed secured valuation increased by 9.3 percent in fiscal year 2004-05

Additional information is provided in Note 15 and Note 16 of the Notes to the Basic Financial Statements, as well as the transmittal letter on page 5 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)**

**REQUESTS FOR INFORMATION**

County information is on-line at [www.countyofventura.org](http://www.countyofventura.org).

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Further requests for information on this report or for the separate reports for the Public Facilities Corporation or the Public Financing Authority should be addressed to the Auditor-Controller, 800 South Victoria Avenue, Ventura, CA 93009-1540.

Questions concerning any of the information provided in this report regarding the discretely presented component unit, Children and Families First Commission, or requests for additional information should be addressed to the Executive Director, 2850 East Main Street, Suite 302, Ventura, CA 93003.

Questions concerning any of the information provided in this report or requests for additional information on the separate financial report of VCERA should be addressed to the Retirement Administrator, 1190 South Victoria Avenue, Suite 200, Ventura, CA 93003-6572.

# BASIC FINANCIAL STATEMENTS





COUNTY OF VENTURA  
STATEMENT OF NET ASSETS  
JUNE 30, 2004  
(In Thousands)

| ASSETS                                                         | Primary Government         |                             |                     | Discretely<br>Presented<br>Component<br>Unit |
|----------------------------------------------------------------|----------------------------|-----------------------------|---------------------|----------------------------------------------|
|                                                                | Governmental<br>Activities | Business-type<br>Activities | Total               |                                              |
| Cash and investments (Note 3)                                  | \$ 545,084                 | \$ 60,970                   | \$ 606,054          | \$ 43,360                                    |
| Receivables (net) (Note 5)                                     | 83,247                     | 27,792                      | 111,039             | 1,077                                        |
| Internal balances (Note 6)                                     | 883                        | (883)                       | -                   | -                                            |
| Due from primary government                                    | -                          | -                           | -                   | 42                                           |
| Due from other governmental agencies                           | 334                        | -                           | 334                 | -                                            |
| Inventories and other assets                                   | 4,407                      | 1,162                       | 5,569               | -                                            |
| Loans and other long-term receivables (Note 5)                 | 43,172                     | -                           | 43,172              | -                                            |
| Advances to other funds (Note 6)                               | 80                         | -                           | 80                  | -                                            |
| Deferred charges                                               | 851                        | 347                         | 1,198               | -                                            |
| Unamortized bond discount                                      | 390                        | -                           | 390                 | -                                            |
| Restricted cash and investments (Note 3)                       | 451                        | 6,859                       | 7,310               | -                                            |
| Capital assets (Note 7):                                       |                            |                             |                     |                                              |
| Nondepreciable                                                 | 281,660                    | 53,456                      | 335,116             | -                                            |
| Depreciable, net                                               | 627,291                    | 109,365                     | 736,656             | -                                            |
| Total assets                                                   | <u>\$ 1,587,850</u>        | <u>\$ 259,068</u>           | <u>\$ 1,846,918</u> | <u>\$ 44,479</u>                             |
| <b>LIABILITIES</b>                                             |                            |                             |                     |                                              |
| Accounts payable                                               | \$ 25,933                  | \$ 8,086                    | \$ 34,019           | \$ 4,200                                     |
| Tax and revenue anticipation notes payable (Note 13)           | 105,000                    | -                           | 105,000             | -                                            |
| Accrued liabilities (Note 8)                                   | 60,215                     | 9,365                       | 69,580              | 29                                           |
| Due to component unit                                          | 42                         | -                           | 42                  | -                                            |
| Due to other government agencies                               | 703                        | -                           | 703                 | -                                            |
| Deferred revenue                                               | 23,083                     | 1,347                       | 24,430              | -                                            |
| Unamortized bond premium                                       | 2,072                      | -                           | 2,072               | -                                            |
| Accrued insurance losses (Note 14)                             | 60,684                     | 4,008                       | 64,692              | -                                            |
| Medical malpractice liability (Note 14)                        | -                          | 4,684                       | 4,684               | -                                            |
| Deposits                                                       | -                          | 282                         | 282                 | -                                            |
| Other liabilities                                              | -                          | 472                         | 472                 | -                                            |
| Advances from other funds (Note 6)                             | -                          | 80                          | 80                  | -                                            |
| Long-term liabilities (Note 10):                               |                            |                             |                     |                                              |
| Due within one year                                            | 50,314                     | 6,376                       | 56,690              | -                                            |
| Due beyond one year                                            | 174,709                    | 34,715                      | 209,424             | -                                            |
| Total liabilities                                              | <u>502,755</u>             | <u>69,415</u>               | <u>572,170</u>      | <u>4,229</u>                                 |
| <b>NET ASSETS</b>                                              |                            |                             |                     |                                              |
| Invested in capital assets, net of related debt (Notes 7 & 10) | 809,520                    | 131,559                     | 941,079             | -                                            |
| Restricted (Note 11):                                          |                            |                             |                     |                                              |
| By grantors                                                    | 51,571                     | 1,773                       | 53,344              | 1,303                                        |
| By creditors                                                   | 451                        | 5,239                       | 5,690               | -                                            |
| By regulations of other governments                            | -                          | 1,620                       | 1,620               | -                                            |
| Unrestricted                                                   | 223,553                    | 49,462                      | 273,015             | 38,947                                       |
| Total net assets                                               | <u>1,085,095</u>           | <u>189,653</u>              | <u>1,274,748</u>    | <u>40,250</u>                                |
| Total liabilities and net assets                               | <u>\$ 1,587,850</u>        | <u>\$ 259,068</u>           | <u>\$ 1,846,918</u> | <u>\$ 44,479</u>                             |

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                        |                     | Program Revenues  |                          |                          |
|----------------------------------------|---------------------|-------------------|--------------------------|--------------------------|
|                                        |                     | Charges for       | Operating                | Capital                  |
|                                        | Expenses            | Services          | Grants and Contributions | Grants and Contributions |
| Functions/Programs:                    |                     |                   |                          |                          |
| Primary government                     |                     |                   |                          |                          |
| Governmental activities:               |                     |                   |                          |                          |
| General government                     | \$ 85,260           | \$ 18,789         | \$ 14,881                | \$ 1,105                 |
| Public protection                      | 425,976             | 119,318           | 105,480                  | 6,044                    |
| Public ways and facilities             | 17,225              | 594               | 15,405                   | 8,027                    |
| Health and sanitation services         | 94,522              | 32,425            | 69,858                   | -                        |
| Public assistance                      | 175,989             | 1,941             | 151,578                  | 5,858                    |
| Education                              | 8,122               | 998               | 968                      | 147                      |
| Interest on long-term debt             | 10,734              | -                 | -                        | -                        |
| Total governmental activities          | <u>817,828</u>      | <u>174,065</u>    | <u>358,170</u>           | <u>21,181</u>            |
| Business-type activities:              |                     |                   |                          |                          |
| Medical Center                         | 145,798             | 140,130           | -                        | -                        |
| Department of Airports                 | 5,411               | 4,716             | -                        | 1,975                    |
| Waterworks - Water                     | 14,585              | 14,423            | -                        | 81                       |
| Waterworks - Sewer                     | 3,424               | 3,865             | -                        | 48                       |
| Parks Department                       | 2,610               | 2,151             | -                        | 487                      |
| Channel Islands Harbor Expansion       | 1,299               | 1,663             | -                        | -                        |
| Channel Islands Harbor                 | 6,833               | 6,695             | -                        | 23                       |
| Health Care Plan                       | 16,890              | 16,822            | -                        | -                        |
| Oak View School Preservation           | 67                  | 150               | -                        | -                        |
| Total business-type activities         | <u>196,917</u>      | <u>190,615</u>    | <u>-</u>                 | <u>2,614</u>             |
| Total primary government               | <u>\$ 1,014,745</u> | <u>\$ 364,680</u> | <u>\$ 358,170</u>        | <u>\$ 23,795</u>         |
| Component unit:                        |                     |                   |                          |                          |
| Children and Families First Commission | <u>\$ 13,826</u>    | <u>\$ -</u>       | <u>\$ 11,224</u>         | <u>\$ -</u>              |

General revenues:

Taxes:

Property taxes

Property transfer taxes

Sales and use taxes

Aid from other governmental units

Other

Motor vehicle in-lieu taxes

Interest and investment earnings

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets - July 1, 2003

Net assets - June 30, 2004

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| Net (Expenses) Revenues and<br>Changes in Net Assets |                                 |              |                                              |                                        |
|------------------------------------------------------|---------------------------------|--------------|----------------------------------------------|----------------------------------------|
| Primary Government                                   |                                 |              | Discretely<br>Presented<br>Component<br>Unit |                                        |
| Governmental<br>Activities                           | Business-<br>type<br>Activities | Total        |                                              |                                        |
| \$ (50,485)                                          | \$ -                            | \$ (50,485)  | \$ -                                         | Functions/Programs:                    |
| (195,134)                                            | -                               | (195,134)    | -                                            | Primary government                     |
| 6,801                                                | -                               | 6,801        | -                                            | Governmental activities:               |
| 7,761                                                | -                               | 7,761        | -                                            | General government                     |
| (16,612)                                             | -                               | (16,612)     | -                                            | Public protection                      |
| (6,009)                                              | -                               | (6,009)      | -                                            | Public ways and facilities             |
| (10,734)                                             | -                               | (10,734)     | -                                            | Health and sanitation services         |
| (264,412)                                            | -                               | (264,412)    | -                                            | Public assistance                      |
|                                                      |                                 |              |                                              | Education                              |
|                                                      |                                 |              |                                              | Interest on long-term debt             |
|                                                      |                                 |              |                                              | Total governmental activities          |
| -                                                    | (5,668)                         | (5,668)      | -                                            | Business-type activities:              |
| -                                                    | 1,280                           | 1,280        | -                                            | Medical Center                         |
| -                                                    | (81)                            | (81)         | -                                            | Department of Airports                 |
| -                                                    | 489                             | 489          | -                                            | Waterworks - Water                     |
| -                                                    | 28                              | 28           | -                                            | Waterworks - Sewer                     |
| -                                                    | 364                             | 364          | -                                            | Parks Department                       |
| -                                                    | (115)                           | (115)        | -                                            | Channel Islands Harbor Expansion       |
| -                                                    | (68)                            | (68)         | -                                            | Channel Islands Harbor                 |
| -                                                    | 83                              | 83           | -                                            | Health Care Plan                       |
| -                                                    | (3,688)                         | (3,688)      | -                                            | Oak View School Preservation           |
| (264,412)                                            | (3,688)                         | (268,100)    |                                              | Total business-type activities         |
|                                                      |                                 |              |                                              | Total primary government               |
|                                                      |                                 |              | (2,602)                                      | Component unit:                        |
|                                                      |                                 |              |                                              | Children and Families First Commission |
| 247,197                                              | -                               | 247,197      | -                                            |                                        |
| 6,838                                                | -                               | 6,838        | -                                            |                                        |
| 10,168                                               | -                               | 10,168       | -                                            |                                        |
| 4,992                                                | -                               | 4,992        | -                                            |                                        |
| 33,556                                               | -                               | 33,556       | -                                            |                                        |
| 63,313                                               | -                               | 63,313       | -                                            |                                        |
| 4,197                                                | 435                             | 4,632        | 321                                          |                                        |
| -                                                    | 152                             | 152          | -                                            |                                        |
| (5,723)                                              | 5,723                           | -            | -                                            |                                        |
| 364,538                                              | 6,310                           | 370,848      | 321                                          |                                        |
| 100,126                                              | 2,622                           | 102,748      | (2,281)                                      |                                        |
| 984,969                                              | 187,031                         | 1,172,000    | 42,531                                       |                                        |
| \$ 1,085,095                                         | \$ 189,653                      | \$ 1,274,748 | \$ 40,250                                    |                                        |

COUNTY OF VENTURA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004  
(In Thousands)

|                                                      | Total             | General<br>Fund   | Roads            |
|------------------------------------------------------|-------------------|-------------------|------------------|
| <b><u>ASSETS</u></b>                                 |                   |                   |                  |
| Cash and investments (Note 3)                        | \$ 463,301        | \$ 244,586        | \$ 45,185        |
| Receivables, net (Note 5)                            | 79,122            | 63,449            | 3,039            |
| Due from other funds (Note 6)                        | 7,411             | 4,816             | 46               |
| Due from other governmental agencies                 | 124               | 124               | -                |
| Inventories and other assets                         | 1,572             | 956               | -                |
| Loans receivable                                     | 2,217             | 1,251             | -                |
| Long-term receivables                                | 40,536            | 40,536            | -                |
| Advances to other funds (Note 6)                     | 80                | -                 | -                |
| Total assets                                         | <u>\$ 594,363</u> | <u>\$ 355,718</u> | <u>\$ 48,270</u> |
| <b><u>LIABILITIES</u></b>                            |                   |                   |                  |
| Accounts payable                                     | \$ 19,938         | \$ 15,199         | \$ 358           |
| Accrued liabilities (Note 8)                         | 58,397            | 53,519            | 355              |
| Tax and revenue anticipation notes payable (Note 13) | 105,000           | 105,000           | -                |
| Due to other funds (Note 6)                          | 16,143            | 6,880             | 2,009            |
| Due to other governmental agencies                   | 703               | 703               | -                |
| Due to component unit                                | 42                | 42                | -                |
| Deferred revenue                                     | 62,432            | 61,051            | 408              |
| Total liabilities                                    | <u>262,655</u>    | <u>242,394</u>    | <u>3,130</u>     |
| <b><u>FUND BALANCES</u></b>                          |                   |                   |                  |
| Reserved (Note 11)                                   | 69,387            | 34,531            | 3,028            |
| Unreserved, reported in (Note 11):                   |                   |                   |                  |
| General fund                                         | 78,793            | 78,793            | -                |
| Special revenue funds                                | 185,081           | -                 | 42,112           |
| Capital projects funds                               | (1,554)           | -                 | -                |
| Permanent funds                                      | 1                 | -                 | -                |
| Total fund balances                                  | <u>331,708</u>    | <u>113,324</u>    | <u>45,140</u>    |
| Total liabilities and fund balances                  | <u>\$ 594,363</u> | <u>\$ 355,718</u> | <u>\$ 48,270</u> |

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004  
(In Thousands)

| Watershed<br>Protection<br>Districts | Fire<br>Protection<br>District | Non-Major<br>Governmental<br>Funds |                                                      |
|--------------------------------------|--------------------------------|------------------------------------|------------------------------------------------------|
| \$ 94,245                            | \$ 46,763                      | \$ 32,523                          | <b><u>ASSETS</u></b>                                 |
| 2,967                                | 5,959                          | 3,708                              | Cash and investments (Note 3)                        |
| 236                                  | 912                            | 1,401                              | Receivables, net (Note 5)                            |
| -                                    | -                              | -                                  | Due from other funds (Note 6)                        |
| -                                    | 602                            | 13                                 | Due from other governmental agencies                 |
| -                                    | -                              | 966                                | Inventories and other assets                         |
| -                                    | -                              | -                                  | Loans receivable                                     |
| -                                    | -                              | -                                  | Long-term receivables                                |
| -                                    | -                              | 80                                 | Advances to other funds (Note 6)                     |
| <u>\$ 97,448</u>                     | <u>\$ 54,236</u>               | <u>\$ 38,691</u>                   | Total assets                                         |
|                                      |                                |                                    | <b><u>LIABILITIES</u></b>                            |
| \$ 491                               | \$ 819                         | \$ 3,071                           | Accounts payable                                     |
| 188                                  | 2,200                          | 2,135                              | Accrued liabilities (Note 8)                         |
| -                                    | -                              | -                                  | Tax and revenue anticipation notes payable (Note 13) |
| 2,076                                | 325                            | 4,853                              | Due to other funds (Note 6)                          |
| -                                    | -                              | -                                  | Due to other governmental agencies                   |
| -                                    | -                              | -                                  | Due to component unit                                |
| 332                                  | 16                             | 625                                | Deferred revenue                                     |
| <u>3,087</u>                         | <u>3,360</u>                   | <u>10,684</u>                      | Total liabilities                                    |
|                                      |                                |                                    | <b><u>FUND BALANCES</u></b>                          |
| 3,086                                | 9,789                          | 18,953                             | Reserved (Note 11)                                   |
| -                                    | -                              | -                                  | Unreserved, reported in (Note 11):                   |
| 91,275                               | 41,087                         | 10,607                             | General fund                                         |
| -                                    | -                              | (1,554)                            | Special revenue funds                                |
| -                                    | -                              | 1                                  | Capital projects funds                               |
| <u>94,361</u>                        | <u>50,876</u>                  | <u>28,007</u>                      | Permanent funds                                      |
|                                      |                                |                                    | Total fund balances                                  |
| <u>\$ 97,448</u>                     | <u>\$ 54,236</u>               | <u>\$ 38,691</u>                   | Total liabilities and fund balances                  |

(Continued)

COUNTY OF VENTURA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES  
JUNE 30, 2004  
(In Thousands)  
(Continued)

|                                                 |                   |
|-------------------------------------------------|-------------------|
| <b>Fund balances - total governmental funds</b> | <b>\$ 331,708</b> |
|-------------------------------------------------|-------------------|

Amounts reported for governmental activities in the  
statement of net assets are different because:

|                                                                                                                                           |         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Capital assets used in governmental activities are not financial resources<br>and, therefore, are not reported in the governmental funds. | 872,098 |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------|

Other long-term assets are not available to pay for current-period  
expenditures and, therefore, are not reported as revenues in the  
governmental funds.

|                           |        |        |
|---------------------------|--------|--------|
| Long-term receivables     | 42,910 |        |
| Deferred charges          | 851    |        |
| Unamortized bond discount | 390    | 44,151 |

Internal service funds are used by management to charge the costs of  
certain activities to individual funds and primarily serve governmental funds.  
Consequently, the assets and liabilities of Internal Service Funds are incorporated  
as part of governmental activities for purposes of government-wide financial  
reporting. In addition, the cumulative internal balance resulting from the allocation  
of Internal Service Funds to Business-type activities is also reported in the  
Statement of Net Assets.

54,181

Long-term liabilities, including bonds payable, are not due and payable in the  
current period and, therefore, are not reported in the governmental funds.

|                               |          |           |
|-------------------------------|----------|-----------|
| Certificates of participation | (73,409) |           |
| Tax exempt commercial paper   | (19,348) |           |
| Loans payable                 | (999)    |           |
| Pension obligation bonds      | (73,470) |           |
| Compensated absences          | (44,721) |           |
| Other liabilities             | (1,028)  |           |
| Accrued interest payable      | (1,821)  |           |
| Accrued pension obligation    | (294)    |           |
| Unamortized bond premium      | (1,953)  | (217,043) |

|                                              |                     |
|----------------------------------------------|---------------------|
| <b>Net assets of governmental activities</b> | <b>\$ 1,085,095</b> |
|----------------------------------------------|---------------------|

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COUNTY OF VENTURA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                              | Total             | General<br>Fund   | Roads            |
|--------------------------------------------------------------|-------------------|-------------------|------------------|
| <b>Revenues:</b>                                             |                   |                   |                  |
| Taxes                                                        | \$ 264,204        | \$ 141,320        | \$ 1,916         |
| Licenses, permits, and franchises                            | 16,324            | 14,753            | 222              |
| Fines, forfeitures, and penalties                            | 16,414            | 15,974            | 313              |
| Revenues from use of money and property                      | 1,851             | (367)             | 180              |
| Aid from other governmental units                            | 429,463           | 347,699           | 21,221           |
| Charges for services                                         | 124,109           | 109,674           | -                |
| Other                                                        | 56,152            | 22,305            | 2,261            |
| Total revenues                                               | <u>908,517</u>    | <u>651,358</u>    | <u>26,113</u>    |
| <b>Expenditures:</b>                                         |                   |                   |                  |
| Current:                                                     |                   |                   |                  |
| General government                                           | 73,790            | 73,227            | -                |
| Public protection                                            | 427,410           | 301,458           | -                |
| Public ways and facilities                                   | 15,851            | -                 | 15,672           |
| Health and sanitation services                               | 99,538            | 99,538            | -                |
| Public assistance                                            | 173,237           | 153,871           | -                |
| Education                                                    | 8,418             | 586               | -                |
| Capital outlay                                               | 70,644            | 9,765             | 9,483            |
| Debt service:                                                |                   |                   |                  |
| Principal retirement                                         | 39,642            | 675               | -                |
| Interest and fiscal charges                                  | 9,783             | 1,585             | -                |
| Total expenditures                                           | <u>918,313</u>    | <u>640,705</u>    | <u>25,155</u>    |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(9,796)</u>    | <u>10,653</u>     | <u>958</u>       |
| <b>Other financing sources (uses):</b>                       |                   |                   |                  |
| Proceeds from sale of capital assets                         | 8,974             | -                 | -                |
| Proceeds of long-term debt                                   | 29,727            | -                 | -                |
| Transfers in                                                 | 64,790            | 22,890            | -                |
| Transfers out                                                | (72,223)          | (39,745)          | (453)            |
| Total other financing sources (uses)                         | <u>31,268</u>     | <u>(16,855)</u>   | <u>(453)</u>     |
| <b>Net change in fund balances</b>                           | <u>21,472</u>     | <u>(6,202)</u>    | <u>505</u>       |
| Fund balances - beginning                                    | 310,521           | 119,550           | 44,635           |
| Changes in reserve for inventory                             | <u>(285)</u>      | <u>(24)</u>       | <u>-</u>         |
| Fund balances - ending                                       | <u>\$ 331,708</u> | <u>\$ 113,324</u> | <u>\$ 45,140</u> |

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| Watershed<br>Protection<br>Districts | Fire<br>Protection<br>District | Non-Major<br>Governmental<br>Funds |
|--------------------------------------|--------------------------------|------------------------------------|
| \$ 11,899                            | \$ 101,572                     | \$ 7,497                           |
| 176                                  | 794                            | 379                                |
| 69                                   | 54                             | 4                                  |
| 1,118                                | 206                            | 714                                |
| 3,231                                | 9,405                          | 47,907                             |
| 11,019                               | 667                            | 2,749                              |
| 1,098                                | 6,354                          | 24,134                             |
| <u>28,610</u>                        | <u>119,052</u>                 | <u>83,384</u>                      |
| -                                    | -                              | 563                                |
| 17,131                               | 81,962                         | 26,859                             |
| -                                    | -                              | 179                                |
| -                                    | -                              | -                                  |
| -                                    | -                              | 19,366                             |
| -                                    | -                              | 7,832                              |
| 9,757                                | 11,875                         | 29,764                             |
| -                                    | 496                            | 38,471                             |
| -                                    | 39                             | 8,159                              |
| <u>26,888</u>                        | <u>94,372</u>                  | <u>131,193</u>                     |
| <u>1,722</u>                         | <u>24,680</u>                  | <u>(47,809)</u>                    |
| 8,759                                | 215                            | -                                  |
| -                                    | -                              | 29,727                             |
| -                                    | -                              | 41,900                             |
| (48)                                 | (250)                          | (31,727)                           |
| <u>8,711</u>                         | <u>(35)</u>                    | <u>39,900</u>                      |
| <u>10,433</u>                        | <u>24,645</u>                  | <u>(7,909)</u>                     |
| 83,928                               | 26,474                         | 35,934                             |
| -                                    | (243)                          | (18)                               |
| <u>\$ 94,361</u>                     | <u>\$ 50,876</u>               | <u>\$ 28,007</u>                   |

**Revenues:**

|                                         |
|-----------------------------------------|
| Taxes                                   |
| Licenses, permits, and franchises       |
| Fines, forfeitures, and penalties       |
| Revenues from use of money and property |
| Aid from other governmental units       |
| Charges for services                    |
| Other                                   |
| Total revenues                          |

**Expenditures:**

|                                |
|--------------------------------|
| Current:                       |
| General government             |
| Public protection              |
| Public ways and facilities     |
| Health and sanitation services |
| Public assistance              |
| Education                      |
| Capital outlay                 |
| Debt service:                  |
| Principal retirement           |
| Interest and fiscal charges    |
| Total expenditures             |

Excess (deficiency) of revenues over  
(under) expenditures

**Other financing sources (uses):**

|                                      |
|--------------------------------------|
| Proceeds from sale of capital assets |
| Proceeds of long-term debt           |
| Transfers in                         |
| Transfers out                        |
| Total other financing sources (uses) |

**Net change in fund balances**

|                                  |
|----------------------------------|
| Fund balances - beginning        |
| Changes in reserve for inventory |
| Fund balances - ending           |

(Continued)

COUNTY OF VENTURA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(In Thousands)  
(Continued)

**Net change in fund balances - total governmental funds** \$21,472

The County uses the purchases method of recording inventories, recording expenditures when purchased by governmental funds. Significant supplies at year-end are recorded as assets with a corresponding credit to reserved fund balances to indicate that such amounts are not available for future appropriations by the governmental funds. (285)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

|                                                                                                      |                 |        |
|------------------------------------------------------------------------------------------------------|-----------------|--------|
| Expenditures for general capital assets, infrastructure, and other related capital assets adjustment | 70,644          |        |
| Less loss from disposal of capital assets                                                            | (1,251)         |        |
| Less current year depreciation                                                                       | <u>(16,991)</u> | 52,402 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 17,919

Bond issuance costs, discounts, and premiums are expenditures in the governmental funds but are reported as deferred charges and unamortized bond discounts and premiums in the statement of activities and amortized over the term of the bond.

|                            |              |       |
|----------------------------|--------------|-------|
| Deferred charges           | 307          |       |
| Unamortized bond discounts | 87           |       |
| Unamortized bond premiums  | <u>(529)</u> | (135) |

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal repayments:

|                               |               |        |
|-------------------------------|---------------|--------|
| General obligation bonds      | 295           |        |
| Certificates of participation | 2,359         |        |
| Tax exempt commercial paper   | 20,418        |        |
| Loans payable                 | 740           |        |
| Pension obligation bonds      | <u>15,830</u> | 39,642 |

Proceeds from long-term debt are reported as other financing sources in the governmental funds, but increase long-term liabilities in the statement of net assets.

|                               |             |          |
|-------------------------------|-------------|----------|
| Certificates of participation | (27,110)    |          |
| Tax exempt commercial paper   | (2,566)     |          |
| Loans payable                 | <u>(73)</u> | (29,749) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                                |            |       |
|--------------------------------|------------|-------|
| Accrued pension obligation     | (294)      |       |
| Accrued interest expense       | (289)      |       |
| Change in other liabilities    | (21)       |       |
| Change in compensated absences | <u>388</u> | (216) |

Internal service funds are used by management to charge the costs of certain activities to individual funds. The cumulative internal balance resulting from the allocation of Internal Service Funds to Business-type activities is also reported. (924)

**Change in net assets of governmental activities** \$ 100,126

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2004  
(In Thousands)

|                                                                                     | Business-type Activities - Enterprise Funds |                |                        |                      |                            | Governmental Activities |
|-------------------------------------------------------------------------------------|---------------------------------------------|----------------|------------------------|----------------------|----------------------------|-------------------------|
|                                                                                     | Total Enterprise Funds                      | Medical Center | Department of Airports | Waterworks Districts | Non-major Enterprise Funds | Internal Service Funds  |
| <b>ASSETS</b>                                                                       |                                             |                |                        |                      |                            |                         |
| Current assets:                                                                     |                                             |                |                        |                      |                            |                         |
| Cash and investments (Note 3)                                                       | \$ 60,970                                   | \$ 12,562      | \$ 4,143               | \$ 31,005            | \$ 13,260                  | \$ 81,783               |
| Receivables, net (Note 5)                                                           | 27,458                                      | 21,912         | 1,005                  | 2,736                | 1,805                      | 1,751                   |
| Due from other funds (Note 6)                                                       | 747                                         | 637            | 10                     | 50                   | 50                         | 10,113                  |
| Advances to other funds (Note 6)                                                    | 236                                         | -              | -                      | 236                  | -                          | -                       |
| Due from other governmental agencies                                                | -                                           | -              | -                      | -                    | -                          | 210                     |
| Inventories and other assets                                                        | 1,162                                       | 760            | -                      | 351                  | 51                         | 2,835                   |
| Restricted assets (Note 3)                                                          | 6,859                                       | 5,183          | -                      | -                    | 1,676                      | 451                     |
| Deferred charges                                                                    | 347                                         | 347            | -                      | -                    | -                          | -                       |
| Total current assets                                                                | 97,779                                      | 41,401         | 5,158                  | 34,378               | 16,842                     | 97,143                  |
| Noncurrent assets:                                                                  |                                             |                |                        |                      |                            |                         |
| Long-term receivables                                                               | 334                                         | -              | 131                    | -                    | 203                        | 419                     |
| Capital assets (Note 7):                                                            |                                             |                |                        |                      |                            |                         |
| Nondepreciable:                                                                     |                                             |                |                        |                      |                            |                         |
| Land                                                                                | 20,537                                      | 396            | 8,252                  | 2,357                | 9,532                      | 64                      |
| Construction in progress                                                            | 32,919                                      | 22,824         | 1,215                  | 7,207                | 1,673                      | 55                      |
| Depreciable:                                                                        |                                             |                |                        |                      |                            |                         |
| Land improvements                                                                   | 31,764                                      | 1,084          | 25,934                 | 96                   | 4,650                      | -                       |
| Structures and improvements                                                         | 138,504                                     | 41,680         | 14,747                 | 67,012               | 15,065                     | 4,828                   |
| Equipment/Vehicles                                                                  | 29,225                                      | 25,727         | 941                    | 884                  | 1,673                      | 83,048                  |
| Less accumulated depreciation                                                       | (90,128)                                    | (41,156)       | (17,974)               | (18,144)             | (12,854)                   | (51,142)                |
| Total noncurrent assets                                                             | 163,155                                     | 50,555         | 33,246                 | 59,412               | 19,942                     | 37,272                  |
| Total assets                                                                        | 260,934                                     | 91,956         | 38,404                 | 93,790               | 36,784                     | 134,415                 |
| <b>LIABILITIES</b>                                                                  |                                             |                |                        |                      |                            |                         |
| Current liabilities:                                                                |                                             |                |                        |                      |                            |                         |
| Accounts payable                                                                    | 8,086                                       | 5,363          | 502                    | 1,631                | 590                        | 3,880                   |
| Short term compensated absences                                                     | 2,253                                       | 2,045          | 76                     | -                    | 132                        | 2,166                   |
| Accrued liabilities (Note 8)                                                        | 9,365                                       | 7,708          | 58                     | 465                  | 1,134                      | 1,818                   |
| Due to other funds (Note 6)                                                         | 1,407                                       | 704            | 38                     | 513                  | 152                        | 721                     |
| Current portion of long-term liabilities (Note 10)                                  | 4,123                                       | 3,098          | 504                    | 67                   | 454                        | 1,422                   |
| Total current liabilities                                                           | 25,234                                      | 18,918         | 1,178                  | 2,676                | 2,462                      | 10,007                  |
| Noncurrent liabilities:                                                             |                                             |                |                        |                      |                            |                         |
| Deferred revenue                                                                    | 1,347                                       | -              | 42                     | 273                  | 1,032                      | 1,187                   |
| Accrued insurance losses (Note 14)                                                  | 4,008                                       | -              | -                      | -                    | 4,008                      | 60,684                  |
| Other liabilities                                                                   | 472                                         | 472            | -                      | -                    | -                          | -                       |
| Advances from other funds (Note 6)                                                  | 316                                         | -              | -                      | 80                   | 236                        | -                       |
| Unamortized bond premium                                                            | -                                           | -              | -                      | -                    | -                          | 119                     |
| Deposits                                                                            | 282                                         | -              | 282                    | -                    | -                          | -                       |
| Long term compensated absences (Note 10)                                            | 1,602                                       | 1,367          | 53                     | -                    | 182                        | 2,815                   |
| Medical malpractice liability (Note 14)                                             | 4,684                                       | 4,684          | -                      | -                    | -                          | -                       |
| Noncurrent portion of long-term liabilities (Note 10)                               | 33,113                                      | 27,995         | 499                    | 1,403                | 3,216                      | 5,645                   |
| Total noncurrent liabilities                                                        | 45,824                                      | 34,518         | 876                    | 1,756                | 8,674                      | 70,450                  |
| Total liabilities                                                                   | 71,058                                      | 53,436         | 2,054                  | 4,432                | 11,136                     | 80,457                  |
| <b>NET ASSETS</b>                                                                   |                                             |                |                        |                      |                            |                         |
| Invested in capital assets, net of related debt                                     | 131,559                                     | 24,645         | 32,727                 | 57,942               | 16,245                     | 31,048                  |
| Restricted (Note 11)                                                                | 8,632                                       | 5,183          | 338                    | -                    | 3,111                      | 451                     |
| Unrestricted                                                                        | 50,023                                      | 8,692          | 3,623                  | 31,416               | 6,292                      | 22,459                  |
| Total net assets                                                                    | 189,876                                     | \$ 38,520      | \$ 36,350              | \$ 89,358            | \$ 25,648                  | \$ 53,958               |
| Adjustment to allocate the internal service fund losses related to enterprise funds | (223)                                       |                |                        |                      |                            |                         |
| Total net assets of business-type activities                                        | \$ 189,653                                  |                |                        |                      |                            |                         |

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                        | Business-type Activities - Enterprise Funds |                   |                              |                         |                                  | Governmental<br>Activities   |
|----------------------------------------------------------------------------------------|---------------------------------------------|-------------------|------------------------------|-------------------------|----------------------------------|------------------------------|
|                                                                                        | Total                                       | Medical<br>Center | Department<br>of<br>Airports | Waterworks<br>Districts | Non-major<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
| <b>Operating Revenues:</b>                                                             |                                             |                   |                              |                         |                                  |                              |
| Charges for services                                                                   | \$ 179,897                                  | \$ 140,130        | \$ 836                       | \$ 18,078               | \$ 20,853                        | \$ 156,574                   |
| Rents and royalties                                                                    | 10,706                                      | -                 | 3,880                        | 208                     | 6,618                            | 10                           |
| Miscellaneous                                                                          | 10                                          | -                 | -                            | -                       | 10                               | 42                           |
| Total operating revenues                                                               | 190,613                                     | 140,130           | 4,716                        | 18,286                  | 27,481                           | 156,626                      |
| <b>Operating Expenses:</b>                                                             |                                             |                   |                              |                         |                                  |                              |
| Salaries and benefits                                                                  | 77,196                                      | 72,409            | 1,815                        | -                       | 2,972                            | 57,477                       |
| Services and supplies                                                                  | 87,866                                      | 61,317            | 1,517                        | 16,848                  | 8,184                            | 52,560                       |
| Insurance premiums                                                                     | 7,317                                       | 6,664             | 143                          | -                       | 510                              | 8,845                        |
| Utilities                                                                              | 2,067                                       | 1,425             | 242                          | -                       | 400                              | -                            |
| Provision for insurance losses                                                         | 14,626                                      | -                 | -                            | -                       | 14,626                           | 32,245                       |
| Depreciation and amortization                                                          | 7,057                                       | 3,425             | 1,594                        | 1,272                   | 766                              | 7,825                        |
| Total operating expenses                                                               | 196,129                                     | 145,240           | 5,311                        | 18,120                  | 27,458                           | 158,952                      |
| Operating income (loss)                                                                | (5,516)                                     | (5,110)           | (595)                        | 166                     | 23                               | (2,326)                      |
| <b>Nonoperating revenues (expenses):</b>                                               |                                             |                   |                              |                         |                                  |                              |
| State and federal grants                                                               | 2,561                                       | -                 | 1,975                        | 129                     | 457                              | 72                           |
| Capital contributions                                                                  | 53                                          | -                 | -                            | -                       | 53                               | -                            |
| Property tax revenue                                                                   | 2                                           | -                 | -                            | 2                       | -                                | -                            |
| Gain (loss) from disposal of capital assets                                            | (53)                                        | -                 | (96)                         | 152                     | (109)                            | (213)                        |
| Issuance costs                                                                         | (33)                                        | (33)              | -                            | -                       | -                                | -                            |
| Interest and investment income                                                         | 435                                         | 41                | 34                           | 250                     | 110                              | 441                          |
| Interest expense                                                                       | (940)                                       | (709)             | (20)                         | (32)                    | (179)                            | (218)                        |
| Total nonoperating revenues (expenses)                                                 | 2,025                                       | (701)             | 1,893                        | 501                     | 332                              | 82                           |
| Net income (loss) before transfers                                                     | (3,491)                                     | (5,811)           | 1,298                        | 667                     | 355                              | (2,244)                      |
| Transfers in                                                                           | 28,530                                      | 27,659            | -                            | -                       | 871                              | 1,967                        |
| Transfers out                                                                          | (22,807)                                    | (22,239)          | -                            | (104)                   | (464)                            | (257)                        |
| Change in net assets                                                                   | 2,232                                       | (391)             | 1,298                        | 563                     | 762                              | (534)                        |
| Net assets - beginning                                                                 | 187,644                                     | 38,911            | 35,052                       | 88,795                  | 24,886                           | 54,492                       |
| Net assets - ending                                                                    | 189,876                                     | \$ 38,520         | \$ 36,350                    | \$ 89,358               | \$ 25,648                        | \$ 53,958                    |
| Adjustment to allocate the internal service<br>fund losses related to enterprise funds | (223)                                       |                   |                              |                         |                                  |                              |
| Net assets of business-type activities                                                 | \$ 189,653                                  |                   |                              |                         |                                  |                              |

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                     | Business-type Activities - Enterprise Funds |                   |                      |                         |                                  | Governmental<br>Activities   |
|---------------------------------------------------------------------|---------------------------------------------|-------------------|----------------------|-------------------------|----------------------------------|------------------------------|
|                                                                     | Total                                       | Medical<br>Center | Dept. of<br>Airports | Waterworks<br>Districts | Non-major<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
| <b>Cash flows from operating activities</b>                         |                                             |                   |                      |                         |                                  |                              |
| Cash receipts from customers                                        | \$ 171,437                                  | \$ 137,687        | \$ 3,136             | \$ 17,857               | \$ 12,757                        | \$ 16,352                    |
| Cash receipts from other funds                                      | 16,134                                      | 313               | 991                  | 66                      | 14,764                           | 140,133                      |
| Cash receipts from other sources                                    | 595                                         | -                 | 595                  | -                       | -                                | -                            |
| Cash paid to suppliers for goods and services                       | (78,513)                                    | (52,310)          | (1,083)              | (11,676)                | (13,444)                         | (42,603)                     |
| Cash paid to employees for services                                 | (76,330)                                    | (71,587)          | (1,800)              | -                       | (2,943)                          | (57,110)                     |
| Cash paid to other funds                                            | (22,130)                                    | (9,043)           | (566)                | (4,869)                 | (7,652)                          | (14,558)                     |
| Cash paid for insurance premiums                                    | (6,494)                                     | (6,185)           | -                    | -                       | (309)                            | (5,267)                      |
| Cash paid for judgments and claims                                  | -                                           | -                 | -                    | -                       | -                                | (11,349)                     |
| Net cash provided by (used in)<br>operating activities              | <u>4,699</u>                                | <u>(1,125)</u>    | <u>1,273</u>         | <u>1,378</u>            | <u>3,173</u>                     | <u>25,598</u>                |
| <b>Cash flows from non-capital<br/>financing activities</b>         |                                             |                   |                      |                         |                                  |                              |
| Transfers received                                                  | 28,530                                      | 27,659            | -                    | -                       | 871                              | 794                          |
| Transfers paid                                                      | (22,807)                                    | (22,239)          | -                    | (104)                   | (464)                            | (257)                        |
| Interest paid on non capital debt                                   | (101)                                       | (66)              | -                    | -                       | (35)                             | -                            |
| Property taxes                                                      | 2                                           | -                 | -                    | 2                       | -                                | -                            |
| State and federal grant receipts                                    | 23                                          | -                 | -                    | -                       | 23                               | 72                           |
| Net cash provided by (used in)<br>non-capital financing activities  | <u>5,647</u>                                | <u>5,354</u>      | <u>-</u>             | <u>(102)</u>            | <u>395</u>                       | <u>609</u>                   |
| <b>Cash flows from capital and related<br/>financing activities</b> |                                             |                   |                      |                         |                                  |                              |
| Proceeds from capital debt                                          | 781                                         | -                 | -                    | 435                     | 346                              | -                            |
| Proceeds from capital grants                                        | 2,491                                       | -                 | 1,975                | 81                      | 435                              | -                            |
| Proceeds from (use of) capital contributions                        | 53                                          | -                 | 103                  | (103)                   | 53                               | 876                          |
| Acquisition and construction of capital assets                      | (9,946)                                     | (1,770)           | (3,877)              | (3,368)                 | (931)                            | (7,302)                      |
| Principal paid on capital lease obligations                         | (12)                                        | -                 | -                    | -                       | (12)                             | -                            |
| Principal paid on capital debt                                      | (3,065)                                     | (2,042)           | (26)                 | (85)                    | (912)                            | (1,022)                      |
| Interest paid on capital debt                                       | (877)                                       | (681)             | (20)                 | (32)                    | (144)                            | (224)                        |
| Proceeds from sales of capital assets                               | 208                                         | -                 | -                    | 152                     | 56                               | 537                          |
| Net cash used in capital and related<br>financing activities        | <u>(10,367)</u>                             | <u>(4,493)</u>    | <u>(1,845)</u>       | <u>(2,920)</u>          | <u>(1,109)</u>                   | <u>(7,135)</u>               |
| <b>Cash flows from investing activities</b>                         |                                             |                   |                      |                         |                                  |                              |
| Interest and investment income received                             | 481                                         | 52                | 44                   | 277                     | 108                              | 431                          |
| Net cash provided by investing activities                           | <u>481</u>                                  | <u>52</u>         | <u>44</u>            | <u>277</u>              | <u>108</u>                       | <u>431</u>                   |
| Net increase (decrease) in cash and<br>cash equivalents             | 460                                         | (212)             | (528)                | (1,367)                 | 2,567                            | 19,503                       |
| Total cash and cash equivalents,<br>beginning of the year           | <u>60,510</u>                               | <u>12,774</u>     | <u>4,671</u>         | <u>32,372</u>           | <u>10,693</u>                    | <u>62,280</u>                |
| Total cash and cash equivalents,<br>end of the year                 | <u>\$ 60,970</u>                            | <u>\$ 12,562</u>  | <u>\$ 4,143</u>      | <u>\$ 31,005</u>        | <u>\$ 13,260</u>                 | <u>\$ 81,783</u>             |

(Continued)

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)  
(Continued)

|                                                                                              | Business-type Activities - Enterprise Funds |                   |                      |                         |                                  | Governmental<br>Activities   |
|----------------------------------------------------------------------------------------------|---------------------------------------------|-------------------|----------------------|-------------------------|----------------------------------|------------------------------|
|                                                                                              | Total                                       | Medical<br>Center | Dept. of<br>Airports | Waterworks<br>Districts | Non-major<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
| <b>Reconciliation of operating income (loss)</b>                                             |                                             |                   |                      |                         |                                  |                              |
| <b>To net cash provided (used) by</b>                                                        |                                             |                   |                      |                         |                                  |                              |
| <b>Operating activities</b>                                                                  |                                             |                   |                      |                         |                                  |                              |
| Operating income (loss)                                                                      | \$ (5,516)                                  | \$ (5,110)        | \$ (595)             | \$ 166                  | \$ 23                            | \$ (2,326)                   |
| Adjustments to reconcile operating income (loss)<br>to cash flows from operation activities: |                                             |                   |                      |                         |                                  |                              |
| Depreciation and amortization                                                                | 7,057                                       | 3,425             | 1,594                | 1,272                   | 766                              | 7,825                        |
| Decrease (increase) in:                                                                      |                                             |                   |                      |                         |                                  |                              |
| Accounts receivable                                                                          | (2,447)                                     | (2,065)           | 179                  | (425)                   | (136)                            | (466)                        |
| Due from other funds                                                                         | 297                                         | (61)              | (3)                  | 304                     | 57                               | 266                          |
| Intergovernmental receivables                                                                | -                                           | -                 | -                    | -                       | -                                | -                            |
| Deposits                                                                                     | -                                           | -                 | -                    | -                       | -                                | -                            |
| Inventories and other assets                                                                 | (258)                                       | (238)             | -                    | (3)                     | (17)                             | (652)                        |
| Long-term receivables                                                                        | (276)                                       | -                 | (276)                | -                       | -                                | -                            |
| Increase (decrease) in:                                                                      |                                             |                   |                      |                         |                                  |                              |
| Accounts payable                                                                             | 145                                         | (130)             | 54                   | 503                     | (282)                            | 326                          |
| Accrued liabilities                                                                          | 3,044                                       | 2,086             | 20                   | 41                      | 897                              | 177                          |
| Due to other funds                                                                           | 7                                           | 281               | (45)                 | (241)                   | 12                               | (458)                        |
| Deferred revenue                                                                             | 148                                         | -                 | 36                   | (3)                     | 115                              | 286                          |
| Accrued insurance loss expense                                                               | 1,671                                       | -                 | -                    | -                       | 1,671                            | 20,904                       |
| Other liabilities                                                                            | 315                                         | (33)              | 315                  | -                       | 33                               | (229)                        |
| Advances to other funds                                                                      | (236)                                       | -                 | -                    | (236)                   | -                                | -                            |
| Medical malpractice liability                                                                | 478                                         | 478               | -                    | -                       | -                                | -                            |
| Compensated absences                                                                         | 270                                         | 242               | (6)                  | -                       | 34                               | (55)                         |
| Net cash provided by (used in)<br>operating activities                                       | <u>\$ 4,699</u>                             | <u>\$ (1,125)</u> | <u>\$ 1,273</u>      | <u>\$ 1,378</u>         | <u>\$ 3,173</u>                  | <u>\$ 25,598</u>             |

**ENTERPRISE FUNDS**

Non-cash investing, capital and financing activities include capital additions funded by debt (\$6,571) and deletions of assets (\$569). Interest on investments has been adjusted for current and prior year accruals (\$50).

**INTERNAL SERVICE FUNDS**

Non-cash investing, capital and financing activities include deletions of assets (\$5,157). Interest on investments has been adjusted for current and prior year accruals (\$11).

COUNTY OF VENTURA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2004  
(In Thousands)

|                                                                            | Pension<br>Trust<br>Funds | Investment<br>Trust | Agency          |
|----------------------------------------------------------------------------|---------------------------|---------------------|-----------------|
| <b><u>ASSETS</u></b>                                                       |                           |                     |                 |
| Cash and investments (Note 3)                                              | \$ 2,506,038              | \$ 650,609          | \$ 5,908        |
| Receivables (net):                                                         |                           |                     |                 |
| Accounts                                                                   | -                         | 5,813               | -               |
| Employer contributions                                                     | 780                       | -                   | -               |
| Employee contributions                                                     | 792                       | -                   | -               |
| Interest and dividends                                                     | 2,683                     | -                   | 11              |
| Security sales                                                             | 94,103                    | -                   | -               |
| Miscellaneous                                                              | 482                       | -                   | -               |
| Due from other governmental agencies                                       | 3                         | 697                 | 3               |
| Total assets                                                               | <u>2,604,881</u>          | <u>657,119</u>      | <u>\$ 5,922</u> |
| <b><u>LIABILITIES</u></b>                                                  |                           |                     |                 |
| Accounts payable                                                           | 2,524                     | 5,838               | \$ -            |
| Accrued liabilities                                                        | -                         | -                   | 5,922           |
| Due to other governmental agencies                                         | 126                       | 208                 | -               |
| Security deposits payable                                                  | 180                       | -                   | -               |
| Security purchases payable                                                 | 211,464                   | -                   | -               |
| Collateral held for securities lent                                        | 159,639                   | -                   | -               |
| Total liabilities                                                          | <u>373,933</u>            | <u>6,046</u>        | <u>\$ 5,922</u> |
| <b><u>NET ASSETS</u></b>                                                   |                           |                     |                 |
| Net assets held in trust for investment pool participants/pension benefits | <u>\$ 2,230,948</u>       | <u>\$ 651,073</u>   |                 |

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                 | Pension<br>Trust<br>Funds  | Investment<br>Trust      |
|-----------------------------------------------------------------|----------------------------|--------------------------|
| <b><u>ADDITIONS</u></b>                                         |                            |                          |
| Contributions:                                                  |                            |                          |
| Employer:                                                       |                            |                          |
| Annual actuarially determined                                   | \$ 10,661                  | \$ -                     |
| Other                                                           | 5,637                      | -                        |
| Employee contributions                                          | 29,191                     | -                        |
| Contributions to investment pool                                | -                          | 2,145,837                |
| Total contributions                                             | <u>45,489</u>              | <u>2,145,837</u>         |
| Net investment income:                                          |                            |                          |
| Net appreciation (depreciation) in<br>fair value of investments | 300,825                    | (6,137)                  |
| Interest income                                                 | 13,024                     | 10,984                   |
| Dividend income                                                 | 5,235                      | -                        |
| Securities lending income                                       | 1,288                      | -                        |
| Real estate income, net                                         | 5,411                      | -                        |
| Investment expense                                              | (6,600)                    | -                        |
| Net investment income                                           | <u>319,183</u>             | <u>4,847</u>             |
| Total additions                                                 | <u>364,672</u>             | <u>2,150,684</u>         |
| <b><u>DEDUCTIONS</u></b>                                        |                            |                          |
| Benefit payments                                                | 101,462                    | -                        |
| Member refunds                                                  | 3,080                      | -                        |
| Administrative expenses                                         | 2,913                      | -                        |
| Legal expenses                                                  | 13                         | -                        |
| Distribution to pooled participants                             | -                          | 2,197,534                |
| Total deductions                                                | <u>107,468</u>             | <u>2,197,534</u>         |
| Change in net assets                                            | 257,204                    | (46,850)                 |
| Net assets - beginning                                          | <u>1,973,744</u>           | <u>697,923</u>           |
| Net assets - ending                                             | <u><u>\$ 2,230,948</u></u> | <u><u>\$ 651,073</u></u> |

See accompanying notes to the basic financial statements

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Reporting Entity**

The County of Ventura, California (“County”) is a legal subdivision of the State of California and was established as a General Law County in 1873. It is governed by an elected five-member Board of Supervisors (Board) and provides the following services: general government, public protection, public ways and facilities, health and sanitation services, public assistance, and education.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County’s financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit’s board and either the County’s ability to impose its will on the organization or the potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are, in substance, part of the County’s operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the primary government.

For financial reporting purposes, the County’s basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County’s Board. The financial statements of the individual component units may be obtained by writing to the County of Ventura, Auditor-Controller’s Office, 800 South Victoria Avenue, Ventura, CA 93009-1540.

**Blended Component Units**

Using the criteria established by Governmental Accounting Standards Board (GASB) Statement No. 14, the County’s management has determined that the following component units should be blended with the activities of the County, as follows:

- Special Revenue Funds – Watershed Protection Districts, County Service Areas, Fire Protection District, and the County of Ventura Redevelopment Agency (RDA);
- Enterprise Fund – Waterworks Districts including the Lake Sherwood Community Services District, Camarillo Water and Sewer, and Camarillo Roads and Lighting;
- Debt Service Funds – Ventura County Public Facilities Corporation, the Public Financing Authority, the RDA, and Watershed Protection Districts;
- Capital Project Funds – Ventura County Public Facilities Corporation, the Public Financing Authority and the RDA;

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

- Pension Trust Funds – Ventura County Employees’ Retirement Association (VCERA) and the County’s Supplemental Retirement Plan (SRP).

The County is financially accountable for each of the above component units. The basis for blending is that the County’s Board acts as the governing board for all entities except the Ventura County Employees’ Retirement System and the Ventura County Public Facilities Corporation. However, these two organizations provide services almost entirely for the County’s benefit.

**Discretely Presented Component Unit**

*Children and Families First Commission*

The Children and Families First Commission (Commission) was established in December 1998 under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq., of the Health and Safety Code. The Commission accounts for receipts and disbursements of California Children and Families First Trust Fund allocations and appropriations to the Commission. The Commission is a discretely presented component unit as the County Board appoints all members of the Commission’s governing body and can remove appointed members at will. The separate financial statements may be obtained from Children and Families First Commission, 2850 East Main Street, Suite 203, Ventura, California, 93003.

**B) Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. The government-wide financial statements include capital assets, long-term liabilities, depreciation, and accumulated depreciation.

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County’s governmental activities and for each segment (different identifiable activities) of the business-type activities of the County. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

The internal service funds’ activity is eliminated and net balances are included in governmental activities because the internal service funds primarily serve the governmental funds. Fiduciary funds are not reported on the government-wide financial statements. When restricted and unrestricted net assets are available, restricted resources would generally be considered to be used first, with the unrestricted resources used as they are needed.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

*Fund Financial Statements*

The governmental fund financial statements are prepared under the modified accrual basis of accounting and the current financial resources measurement focus. The proprietary and fiduciary fund financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. They provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major governmental and enterprise funds.

Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented which explains the adjustments necessary to reconcile fund financial statements to the government-wide financial statements.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General* Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, health and sanitation, public assistance, and education.
- The *Roads* Fund provides for planning, design, construction, maintenance, and administration of County roads. It also engages in traffic safety and other transportation planning activities. Revenues consist primarily of the County's share of state highway use taxes, sales taxes, and federal grants.
- The *Watershed Protection Districts (formerly Flood Control Districts)* Fund controls flood and storm waters and conserves such waters for beneficial public use. Revenues are primarily received from property taxes, aid from other governmental units, and charges for current services.
- The *Fire Protection District* Fund provides fire protection to the unincorporated areas of the County as well as the cities of Camarillo, Moorpark, Ojai, Port Hueneme, Simi Valley, and Thousand Oaks. Support is principally from property taxes and aid from other governmental units.

The County reports the following major enterprise funds:

- The *Medical Center* Fund is part of the County Health Care Agency which operates an acute care facility providing emergency room, inpatient, mental health inpatient, and, through its clinics, outpatient services to all County residents. It also provides support services to related public and mental health programs administered by the Health Care Agency. The fund provides indigent care, which is subsidized, in part, by transfers from the General Fund for such services.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

- The *Department of Airports* Fund operates the County-owned general aviation facilities at the Camarillo and Oxnard airports and provides administrative, fiscal, and other support services for airport tenants and the flying public. This fund accounts for aid from other governmental units in support of aviation and also provides support services for the operation of the streets, street lighting, and storm drains at the Camarillo airport.
- The *Waterworks Districts* Fund performs necessary administrative, maintenance, and operations functions to provide uninterrupted water delivery services and sewer collection and disposal services to various communities of Ventura County. These districts include Waterworks Districts 1, 16, 17, 19, Camarillo Water and Sewer, and Lake Sherwood.

The County reports the following additional funds and fund types:

- The *Permanent Fund* accounts for the George Lyon Book Fund established in December 2002. Earnings only may be used for the acquisition of books for the E. P. Foster Library in Ventura.
- *Internal Service Funds* account for the County's fleet maintenance; engineering, construction, and maintenance services; telecommunication and information systems; general services; and self-insurance programs – workers' compensation, long-term disability, employee benefits, medical malpractice, and general insurance, on a cost-reimbursement basis.
- The *VCERA Trust Fund* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability, and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the VCERA, which was established January 1, 1947 under provisions of the County Employees' Retirement Law of 1937.
- The *SRP Trust Fund* accounts for the assets, contributions, and benefit payments of the Supplemental Retirement Plan established January 1, 1992 under provisions of the Internal Revenue Code Section 401(a).
- The *Investment Trust Fund* (a single cash pool managed by the Treasury) accounts for the assets of legally separate entities that deposit cash with the County Treasurer. The entities include school and community college districts and special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Detailed information about the major legal entities included in the Investment Trust Fund is provided in the Schedule of Fiduciary Net Assets and Schedule of Changes in Fiduciary Net Assets in the Supplementary Information section.
- *County Agency Funds* account for assets held for distribution by the County as an agent for various other funds and local governments.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

**C) Measurement Focus and Basis of Accounting**

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized when the underlying transactions take place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within six months following the end of the fiscal year. Property taxes are accrued if they are collectible within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgements, are recorded only when payment is due. General capital assets acquisitions and general principal payments are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting of Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The County has elected to not apply the FASB standards issued subsequent to November 30, 1989. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental users.

**D) General Capital Assets and Long-Term Debt**

GASB Statement No. 34 eliminates the presentation of general capital asset and general long-term debt account groups, but provides for these records to be maintained and incorporates the information into the governmental activities column in the government-wide statement of net assets.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

**E) Cash and Investments**

For purposes of reporting cash flows, cash and investments include cash in banks and investments held by the County Treasurer in a cash management pool and short-term temporary investments in the pension trust funds, generally with original maturities of 90 days or less. In accordance with GASB No. 31, investments are stated at fair value. County fair value is determined annually based on values provided by its investment custodian (Wells Fargo Bank) as of June 30, 2004. The fair value of participants' aggregate position in the pool is the same as the aggregate value of the pool shares. The participants share a ratable portion of the pool's activity and its value based on average daily balances. For VCERA and SRP, investment income components (interest, dividends, and net increase or decrease in fair value) are determined at year-end as reported by the various trustees and custodians on the accrual basis.

**F) Inventories**

Inventories consist of expendable supplies valued at cost (principally on a first-in, first-out basis). The County uses the purchases method to record inventories as expenditures when purchased by governmental funds. Significant supplies on hand at year-end are recorded as assets with a corresponding credit to reserved fund balances to indicate that such amounts are not available for future appropriation by the governmental funds.

**G) Capital Assets**

Capital assets components consist of land, land improvements, structures and improvements, equipment, vehicles, construction in progress, and infrastructure. The County defines capital assets as assets with an estimated useful life in excess of one year.

The capitalization level and estimated useful lives are as follows:

| <u>Category</u>             | <u>Capitalization Level</u>                                                                                                | <u>Useful Life</u> |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------|
| Structures and improvements | \$25,000 except \$5,000 for Airports and \$50,000 for Waterworks                                                           | 30-75              |
| Betterments                 | \$5,000                                                                                                                    | 30-75              |
| Equipment                   | \$5,000                                                                                                                    | 2-30               |
| Vehicles                    | \$5,000                                                                                                                    | 2-25               |
| Capital leases              | As above, based on category                                                                                                | 5-40               |
| Infrastructure              | All new construction and major renovation are capitalized;<br>all other costs are considered maintenance and are expensed. | 40-100             |

The County has two networks of infrastructure assets – roads and watershed protection. The roads network includes roads, bridges and traffic signals. Current year and retroactive costs were capitalized for the roads network effective June 30, 2002. The watershed protection network includes flood channels, debris dams, detention basins, pump stations, and rights of way. Current year costs reported for the watershed protection network were effective June 30, 2002 with retroactive reporting implemented effective June 30, 2003. Corresponding increases are recorded to investment in capital assets net of debt.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Assets acquired from gifts or donations are valued at their estimated fair market value on the date contributed. Self-constructed assets, including structures and major software betterments, are recorded at the amount of direct labor, material and net interest costs incurred (for proprietary funds) if financed by tax-exempt borrowing. Major software and betterments are included in the equipment category.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

Acquisitions of capital assets are recorded as expenditures in the governmental funds statements. Capital assets are capitalized and depreciated on the government-wide and the proprietary funds statements. Land, construction in progress and assets not used in operations are not depreciated. Other components used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lower of the capital lease period or their estimated useful lives. The County has elected the depreciation approach for infrastructure.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**H) Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)**

County policy permits employees to accumulate earned but unused vacation, sick pay, and compensatory time. A liability for all vacation pay and compensatory time and 25 percent of unused accumulated sick leave for those employees with at least ten years of service is accrued when earned in the government-wide and proprietary funds financial statements. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured as a result of employee resignations and retirements prior to year-end and are paid by the County subsequent to year-end.

**I) Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are repayments (adjustments to the expenditures or expenses) from the funds responsible for certain expenditures or expenses to the funds that initially paid for them. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**J) Estimates**

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

**NOTE 2 – DEFICIT NET ASSETS/FUND BALANCE**

The *General Insurance* internal service fund had a net assets deficit of \$4,278,000 as described in Note 14 - Risk Management. The accumulated deficit within the workers' compensation component in its second year of self-insurance operation is \$9,941,000. The county implemented a five-year plan to eliminate the workers' compensation deficit through increased rates, beginning in fiscal year 2004-05.

The *Public Financing Authority*, a non-major capital projects fund, had a deficit fund balance of \$2,772,000 due to the payment of interest during the construction phase of major construction projects. Certificates of participation issues that finance some or all construction projects, as opposed to purchased assets, realize losses during the construction period because no offsetting sublease revenue is generated until the projects are completed. It is expected that the deficit will be eliminated in fiscal year 2006-07.

In addition, accrued claims relating to tax-exempt commercial paper exceeded funds available at June 30, 2004. The claims were paid in 2004-05 through the issuance of new tax-exempt commercial paper.

**NOTE 3 – CASH AND INVESTMENTS**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. The respective funds' shares of the total pool are included in the accompanying basic financial statements under the caption "Cash and investments". Interest earned on investments is allocated to certain participating funds based on their average daily cash-in-treasury balances. Cash and investments managed separately from the investment pool include those of the PFC, PFA, VCERA, and SRP.

The County Treasurer's investment pool is further defined as internal and external investment pools in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The internal investment pool includes the funds and component units of the reporting entity and is reported in the various County funds. The external investment pool invests monies of more than one legally separate entity, not part of the sponsor's reporting entity, and invests on the participants' behalf in an investment portfolio. The external investment pool is reported in the accompanying financial statements as an investment trust fund within the fiduciary funds and uses the economic resources measurement focus and the accrual basis of accounting.

The financial reporting for these governmental entities, which are independent of the County Board, is limited to the total amount of cash and investments and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. Activities of the school districts and special districts are administered by their own separate governing boards. Effective January 1, 1998, activities of the County's consolidated courts are governed by the State of California. The County Auditor-Controller makes disbursements upon the request of the responsible school and self-governed district officers and the presiding judge of the consolidated courts. The County Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, nor to appropriate surplus funds available in these entities. Therefore, these entities are not financially accountable to the County.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

California Government Code Section 53635 authorizes the County Treasurer to invest in obligations of the U. S. Treasury, agencies and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase and reverse repurchase agreements, corporate notes, negotiable certificates of deposit, obligations of the State of California, and obligations of any local agency within California. The VCERA Trust Fund is authorized to invest in any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the VCERA Board of Retirement (Board of Retirement).

Total cash and investments at fair value as reported at June 30, 2004 are as follows (in thousands):

|                            |                           |
|----------------------------|---------------------------|
| Governmental activities    | \$ 545,535                |
| Business-type activities   | <u>67,829</u>             |
| Primary government         | 613,364                   |
| Component unit             | <u>43,360</u>             |
| Total government-wide      | <u>656,724</u>            |
| <br>Fiduciary Funds:       |                           |
| Pension trusts             | 2,506,038                 |
| Investment trust fund      | 650,609                   |
| Agency funds               | <u>5,908</u>              |
| Total cash and investments | <u><u>\$3,819,279</u></u> |

The amount at fair value of "Cash and investments" for County funds with Treasury or fiscal agents and VCERA and SRP Trust Funds at June 30, 2004 are summarized as follows (in thousands):

|                                     | <u>Treasury</u>            | <u>Fiscal<br/>Agents</u> | <u>Pension<br/>Funds</u>   | <u>Total</u>               |
|-------------------------------------|----------------------------|--------------------------|----------------------------|----------------------------|
| Cash:                               |                            |                          |                            |                            |
| Cash on hand                        | \$ 4                       | \$ 1,395                 | \$ -                       | \$ 1,399                   |
| Deposit (net outstanding checks)    | <u>(2,363)</u>             | <u>8,286</u>             | <u>83,164</u>              | <u>89,087</u>              |
| Total cash (net outstanding checks) | <u>(2,359)</u>             | <u>9,681</u>             | <u>83,164</u>              | <u>90,486</u>              |
| <br>Investments:                    |                            |                          |                            |                            |
| In Treasurer's pool                 | 1,291,868                  | -                        | -                          | 1,291,868                  |
| With fiscal agents                  | -                          | 14,051                   | -                          | 14,051                     |
| In pension portfolios               | <u>-</u>                   | <u>-</u>                 | <u>2,422,874</u>           | <u>2,422,874</u>           |
| Total investments                   | <u>1,291,868</u>           | <u>14,051</u>            | <u>2,422,874</u>           | <u>3,728,793</u>           |
| Total cash and investments          | <u><u>\$ 1,289,509</u></u> | <u><u>\$ 23,732</u></u>  | <u><u>\$ 2,506,038</u></u> | <u><u>\$ 3,819,279</u></u> |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

**Cash**

The cash portion of “cash and investments” includes demand and other deposits with original maturities of less than 90 days.

At June 30, 2004, the carrying amount of the County’s cash was \$90,486,000, and the bank balance per various institutions was \$111,503,000. Treasury cash of \$(2,359,000) reflects outstanding checks of \$21,018,000. Treasurer’s pool investments are managed daily to maximize earnings and provide cash as needed. Of the bank balance in financial institutions, \$1,111,000 was covered by federal depository insurance and \$110,392,000 was uninsured. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the County’s deposits by pledging government securities or first trust deed mortgage notes. The market value of the pledged securities and first trust deed mortgage notes must be at least 110 percent and 150 percent of the County’s deposits, respectively. The collateral was held by the pledging financial institution’s trust department and was considered held in the County’s name.

“Restricted assets – cash and investments” in the amount of \$7,310,000 are held in the proprietary funds and include \$1,500,000 for Health Care Plan tangible net equity deposit, \$120,000 for Harbor Expansion National Oceanic and Atmospheric Administration deposit, and the remainder of \$5,690,000 for Medical Center, Channel Islands Harbor, and General Services internal service fund from PFA and PFC for borrowing projects to be completed.

**Investments—County Funds**

In accordance with GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Purchase Agreements), and Reverse Repurchase Agreements* (GASB 3), the County’s investments have been categorized below to indicate the level of custodial risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the agent’s nominee name with subsidiary records listing the County as the legal owner. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party, or by its trust department or agent, in the County’s name. Category 3 includes uninsured and unregistered investments, with securities held by the counter-party, or its trust department or agent, but not in the County’s name. The GASB 3 categories do not apply to certain types of investments such as loaned securities, annuity contracts, real estate, and mutual funds due to their nature.

The carrying amount at fair value of the County’s investments, exclusive of the VCERA and SRP Trust Funds at June 30, 2004 are summarized below (in thousands):

|                          | Category 1         |                  |               |                    |
|--------------------------|--------------------|------------------|---------------|--------------------|
|                          | County             | Fiscal           |               |                    |
|                          | Treasurer          | Agents           | Uncategorized | Total              |
| Certificates of deposit  | \$ -               | \$ -             | \$ 200        | \$ 200             |
| Commercial paper         | 490,357            | -                | -             | 490,357            |
| U. S. agency obligations | 801,311            | 14,051           | -             | 815,362            |
| Total investments        | <u>\$1,291,668</u> | <u>\$ 14,051</u> | <u>\$ 200</u> | <u>\$1,305,919</u> |

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Fair value calculations at fiscal year-end are based on values provided by the County's investment custodian. The net change in fair value from carrying value at June 30, 2004 (including purchases, sales, and reinvestment of earnings) amounted to a decrease of \$6.7 million. The net change in fair value from June 30, 2003 to June 30, 2004 was a decrease of approximately \$12 million.

A summary of the interest rate range and maturity range of investments held by the County Treasurer at June 30, 2004 is as follows:

| <u>Investments</u>       | <u>Interest Rate Range</u> | <u>Maturity Range</u> |
|--------------------------|----------------------------|-----------------------|
| Certificates of deposit  | 1.40 - 1.50                | 9/21/04 - 5/28/05     |
| Commercial paper         | 1.00 - 1.21                | 7/1/04 - 7/29/04      |
| U. S. agency obligations | .99 - 4.13                 | 7/2/04 - 7/17/07      |

The County adopts an investment policy document as approved by the Treasury Oversight Committee and the County Board. The policy emphasizes safety, liquidity and yield and follows the "prudent investor rule". The County is not registered with the Securities and Exchange Commission as an investment company. No guarantees have been provided during the period to support the value of shares in the pool. Investment earnings are allocated based on the average daily balance in the Treasury's pool for the calendar quarter. The earnings are distributed to participants twice per quarter as cash is received.

**Treasury Investment Pool**

The Treasury Investment Pool does not issue financial statements separate from the County's Comprehensive Annual Financial Report. The following represents a condensed statement of net assets and changes in net assets for the pool (internal and external) as of June 30, 2004 (in thousands):

| <u>Statement of Net Assets</u>                   | <u>Total</u>        |
|--------------------------------------------------|---------------------|
| Net assets held for pool participants            | <u>\$ 1,289,509</u> |
| Equity of internal pool participants             | \$ 595,076          |
| Equity of external pool participants             | 651,073             |
| Equity of discretely presented component unit    | <u>43,360</u>       |
| Total equity                                     | <u>\$ 1,289,509</u> |
| <br><u>Statement of Changes in Net Assets</u>    |                     |
| Net assets at July 1, 2003                       | \$ 1,276,429        |
| Increase in investment by pool participants, net | <u>13,080</u>       |
| Net assets at June 30, 2004                      | <u>\$ 1,289,509</u> |

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The investment pool includes both voluntary and involuntary participants for which cash and investments are held by the County Treasurer. The total percentage share of the Treasurer's pool related to involuntary participants is 43 percent. Legal provisions require certain special districts to maintain surplus cash in the County Treasurer's investment pool including public school districts, cemetery districts, recreation and park districts, and the Air Pollution Control District. Voluntary participants include the Superior Court of California, Ventura County.

**Investments - VCERA**

The carrying amount at fair value of the VCERA Trust Fund long-term investments at June 30, 2004 is summarized as follows (in thousands):

|                                                         | <u>Category 1</u> | <u>Uncategorized<br/>Investments</u> | <u>Carrying<br/>Amount at<br/>Fair Value</u> |
|---------------------------------------------------------|-------------------|--------------------------------------|----------------------------------------------|
| Domestic equity                                         | \$318,914         | \$ 36,187                            | \$ 355,101                                   |
| U. S. government debt securities<br>and corporate bonds | 316,577           | 120,957                              | 437,534                                      |
| International bonds                                     | 4,066             | 25,286                               | 29,352                                       |
| Securities lending collateral                           | -                 | 159,639                              | 159,639                                      |
| Real estate                                             | -                 | 111,828                              | 111,828                                      |
| Investments held in mutual funds<br>and investment pool | <u>-</u>          | <u>1,322,168</u>                     | <u>1,322,168</u>                             |
| Total investments                                       | <u>\$639,557</u>  | <u>\$ 1,776,065</u>                  | <u>\$ 2,415,622</u>                          |

The Board of Retirement permits the use of securities lending pursuant to an agreement with its custodial financial institution, whereby the VCERA Trust Fund lends specific stocks, bonds, and government securities that are being held in trust at the financial institution to various brokers in return for a service charge. The financial institution is authorized to handle all the loan activity for the VCERA Trust Fund and has agreed to indemnify the VCERA Trust Fund for any losses of securities or income due to borrower failure or default. At June 30, 2004, the VCERA Trust Fund had securities on loan with a fair value of \$157,284,000 with cash collateral of \$159,639,000.

Loaned securities are collateralized by cash, which was deposited in a collective investment pool equal to not less than 100 percent of the market value of loaned securities. Collateral is held by the lending financial institution as custodian and cannot be pledged or sold unless the borrower defaults. Because loans were terminable at will, their duration did not generally match the duration of the investment made with cash collateral. Also, it was determined that a credit risk does not exist at year-end since the amount owed the borrower is greater than the amount the borrower owed.

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Included within the VCERA Trust Fund's fixed income portfolio of \$686,867,000, approximately \$163,628,000 is classified as derivative securities. These holdings include asset-backed and mortgage-backed securities, and are considered to be derivatives because their value is derived from the value of the assets backing the security rather than the security itself.

VCERA's investment managers utilize futures contracts and options to minimize currency fluctuations in non-dollar denominated securities. Futures contracts and options are not utilized speculatively. Risks surrounding the contracts include fluctuations in exchange rates and the inability of the counterparty to meet contract terms. Differences between contract exchange rates and market exchange rates at settlement result in gains and losses.

All derivative securities have been included at fair value in the Statement of Plan Net Assets, and all realized and unrealized gains/losses associated with these securities have been included in the Statement of Changes in Plan Net Assets for the year ending June 30, 2004.

**Investments – SRP**

The SRP adopts an investment policy which emphasizes safety, diversification and yield and follows the "prudent investor rule", as required by the Employment Retirement Income Security Act of 1974. At June 30, 2004, the carrying amount at fair value of the SRP Trust Fund's investments is \$7,252,000. Such investments are held in mutual funds and are uncategorized under the provisions of GASB 3.

**NOTE 4 – PROPERTY TAXES**

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes. Property is originally assessed at 100 percent of full cash or market value at the date of transfer or completion of construction pursuant to Article XIII(A) of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. Annual increases are limited to 2 percent of base year values. The total fiscal year 2003-04 gross assessed valuation of the County was \$72,348,487,000 (unaudited), of which \$71,391,673,000 (unaudited) was the net assessed value after homeowners' exemptions.

The property tax levy to support general operations of various jurisdictions is limited to one percent of full cash value and is distributed in accordance with statutory formulas. Amounts levied each fiscal year to finance the annual requirements of voter approved debt are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

The County is divided into approximately 2,460 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. In fiscal year 2003-04, the rates levied within each tax rate area varied from a low of 1.000000 to a high of 1.211696 per \$100 of assessed valuation. Property taxes are levied on both real and personal property. Secured property taxes are levied July 1 and payable in two equal installments: the first is generally due November 1 and delinquent with penalties after December 10; the second is generally due on February 1 and delinquent with penalties after April 10. Unsecured property taxes become delinquent with penalties after August 31. Secured property taxes become a lien on the

COUNTY OF VENTURA  
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property on January 1 or the date on which title to the property transfers or improvements to the property are completed. Supplemental property tax assessments/refunds associated with changes in assessed valuations due to transfers of title and completed property improvements are levied in two equal installments and have variable due dates based on the date of title transfer and/or completion of the property improvements.

The County elected the alternative property tax treatment (Teeter Plan) effective July 1, 1993, whereby the County, through the Property Tax Collection Agency Fund (PTCAF), purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the PTCAF records a tax receivable and receives the delinquent secured taxes. The PTCAF receives delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, the special districts, and the school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the PTCAF. Therefore, for participating agencies, revenue is measurable and available and is recorded in the period the payment of current secured unpaid taxes is received prior to fiscal year end. The balance in the PTCAF is recorded to the General Fund for financial reporting purposes only as of fiscal year-end.

**NOTE 5 – RECEIVABLES**

Year-end receivables of the County's major, non-major, and proprietary funds, as well as governmental and business-type activities, in the aggregate, including the applicable allowances for uncollectable accounts, are as follows (in thousands):

| Governmental Funds                                             | General Fund    | Roads                  | Watershed Protection Districts | Fire Protection District | Non-major Funds                                     | Internal Service Funds | Total Governmental Activities |
|----------------------------------------------------------------|-----------------|------------------------|--------------------------------|--------------------------|-----------------------------------------------------|------------------------|-------------------------------|
| Taxes                                                          | \$ 611          | \$ -                   | \$ 56                          | \$ 339                   | \$ 33                                               | \$ -                   | \$ 1,039                      |
| Accounts                                                       | 61,859          | 2,919                  | 2,653                          | 5,459                    | 3,534                                               | 1,153                  | 77,577                        |
| Interest                                                       | 979             | 120                    | 258                            | 161                      | 141                                                 | 214                    | 1,873                         |
| Other                                                          | -               | -                      | -                              | -                        | -                                                   | 384                    | 384                           |
| Total receivables - fund statements                            | 63,449          | 3,039                  | 2,967                          | 5,959                    | 3,708                                               | 1,751                  | 80,873                        |
| Other - long-term                                              | 2,374           | -                      | -                              | -                        | -                                                   | -                      | 2,374                         |
| Total receivables                                              | <u>\$65,823</u> | <u>\$ 3,039</u>        | <u>\$ 2,967</u>                | <u>\$ 5,959</u>          | <u>\$ 3,708</u>                                     | <u>\$ 1,751</u>        | <u>\$ 83,247</u>              |
| Proprietary Funds                                              | Medical Center  | Department of Airports | Waterworks Districts           | Non-major Funds          | Total Enterprise Funds and Business-type Activities |                        |                               |
| Accounts                                                       | \$92,498        | \$ 561                 | \$ 2,648                       | \$ 1,764                 | \$ 97,471                                           |                        |                               |
| Interest                                                       | 21              | 11                     | 88                             | 41                       | 161                                                 |                        |                               |
| Other                                                          | 47              | 453                    | -                              | -                        | 500                                                 |                        |                               |
| Gross receivables                                              | 92,566          | 1,025                  | 2,736                          | 1,805                    | 98,132                                              |                        |                               |
| Less: allowance for uncollectibles and contractual adjustments | (70,654)        | (20)                   | -                              | -                        | (70,674)                                            |                        |                               |
| Total receivables - fund statements                            | 21,912          | 1,005                  | 2,736                          | 1,805                    | 27,458                                              |                        |                               |
| Other - long-term                                              | -               | 131                    | -                              | 203                      | 334                                                 |                        |                               |
| Total receivables                                              | <u>\$21,912</u> | <u>\$ 1,136</u>        | <u>\$ 2,736</u>                | <u>\$ 2,008</u>          | <u>\$ 27,792</u>                                    |                        |                               |

The balance of loans and other long-term receivables at year-end for governmental activities consists of loans receivable in the General and Non-major Governmental funds (\$2,217,000), the accrual of SB 90 revenue and the VLF Backfill Gap Loan (\$40,536,000), and deposits (\$419,000).

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**NOTE 6 – INTERFUND TRANSACTIONS**

**Interfund Receivables/ Payables (Short Term):**

The composition of interfund balances as of June 30, 2004 is as follows (in thousands):

| <u>Receivable Fund</u>         | <u>Payable Fund</u>            | <u>Amount</u> |       |
|--------------------------------|--------------------------------|---------------|-------|
| General Fund                   | Roads Fund                     | \$ 50         |       |
|                                | Watershed Protection Districts | 22            |       |
|                                | Fire Protection District       | (13)          |       |
|                                | Non-major Governmental Funds   | 4,225         |       |
|                                | Medical Center                 | 373           |       |
|                                | Non-major Enterprise Funds     | 50            |       |
|                                | Internal Service Funds         | 109           | 4,816 |
|                                |                                |               |       |
| Roads Fund                     | General Fund                   | 42            |       |
|                                | Non-major Governmental Funds   | 3             |       |
|                                | Internal Service Funds         | 1             | 46    |
| Watershed Protection Districts | General Fund                   | 234           |       |
|                                | Internal Service Funds         | 2             | 236   |
| Fire Protection District       | General Fund                   | 912           | 912   |
|                                |                                |               |       |
| Non-major Governmental Funds   | General Fund                   | 1,104         |       |
|                                | Non-major Governmental Funds   | 297           | 1,401 |
| Medical Center                 | General Fund                   | 597           |       |
|                                | Non-major Governmental Funds   | 2             |       |
|                                | Non-major Enterprise Funds     | 26            |       |
|                                | Internal Service Funds         | 12            | 637   |
| Department of Airports         | General Fund                   | 6             |       |
|                                | Internal Service Funds         | 4             | 10    |
| Waterworks Districts           | General Fund                   | 31            |       |
|                                | Fire Protection District       | 2             |       |
|                                | Department of Airports         | 2             |       |
|                                | Internal Service Funds         | 15            | 50    |
| Non-major Enterprise Funds     | General Fund                   | 16            |       |
|                                | Medical Center                 | 10            |       |
|                                | Non-major Enterprise Funds     | 21            |       |
|                                | Internal Service Funds         | 3             | 50    |

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|                        |                                |            |                         |
|------------------------|--------------------------------|------------|-------------------------|
| Internal Service Funds | General Fund                   | 3,938      |                         |
|                        | Roads Fund                     | 1,959      |                         |
|                        | Watershed Protection Districts | 2,054      |                         |
|                        | Fire Protection District       | 336        |                         |
|                        | Non-major Governmental Funds   | 326        |                         |
|                        | Medical Center                 | 321        |                         |
|                        | Department of Airports         | 36         |                         |
|                        | Waterworks Districts           | 513        |                         |
|                        | Non-major Enterprise Funds     | 55         |                         |
|                        | Internal Service Funds         | <u>575</u> | 10,113                  |
| Total Due To/ Due From |                                |            | <u><u>\$ 18,271</u></u> |

The balance of \$4,225,000 due to the General Fund from Non-major Governmental Funds consists principally of loans extended to funds which receive funding after the expenditures have been incurred (Department of Child Support Services and the Public Authority special revenue funds) and a loan to the Public Financing Authority for claims accrued at June 30, 2004. New Tax Exempt Commercial Paper was issued on July 21, 2004 as described in Note 2 - Deficit Net Assets/ Fund Balance.

The balance of \$912,000 due to the Fire Protection District from the General Fund is primarily the result of the year-end accrual of supplemental property taxes and interest receivable.

The balance of \$1,104,000 due to Non-major Governmental Funds from the General Fund is primarily attributable to a transfer of costs and associated revenues from Workforce Development special revenue fund in order to maximize the use of available CalWORKs funding in the General Fund.

The remaining interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Advances to/from Other Funds (Long Term):**

| <u>Receivable Fund</u>       | <u>Payable Fund</u>        |    |                      |
|------------------------------|----------------------------|----|----------------------|
| Non-major Governmental Funds | Waterworks Districts       | \$ | 80                   |
| Waterworks Districts         | Non-major Enterprise Funds |    | <u>236</u>           |
| Total Advances               |                            |    | <u><u>\$ 316</u></u> |

The Piru RDA debt service fund, a non-major governmental fund, extended a loan in the amount of \$100,000 to the Waterworks Districts in the prior fiscal year. The outstanding balance as of June 30, 2004 was \$80,000.

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Under an agreement between a golf course developer, the County of Ventura, and the Waterworks Districts, developer fees, which are usually collected in full prior to the provision of water services, were allowed to be paid in the form of a monthly surcharge. The Parks non-major enterprise fund records a receivable and advance from other funds, and the Waterworks Districts fund records an advance to other funds and deferred revenue. The balance at June 30, 2004 was \$236,000.

**Transfers**

Transfers are used to move funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity (in thousands):

| Transfer From                  | Transfer To                  | Amount           | Purpose                                                        |
|--------------------------------|------------------------------|------------------|----------------------------------------------------------------|
| General Fund                   | Non-major Governmental Funds | \$ 8,232         | Transfer funds for scheduled debt service                      |
|                                | Non-major Governmental Funds | 1,919            | Subsidy for operating expenses                                 |
|                                | Non-major Governmental Funds | 441              | Health and welfare realignment                                 |
|                                | Medical Center               | 14,185           | Health and welfare realignment and tobacco settlement revenues |
|                                | Medical Center               | 13,474           | Subsidy for operating expenses                                 |
|                                | Non-major Enterprise Funds   | 407              | Subsidy for operating expenses                                 |
|                                | Internal Service Funds       | 724              | Subsidy for capital asset purchase                             |
|                                | Internal Service Funds       | 363              | Subsidy for operating expenses                                 |
|                                |                              | <u>39,745</u>    |                                                                |
| Roads                          | Internal Service Funds       | <u>453</u>       | Subsidy for capital asset purchase                             |
| Watershed Protection Districts | Internal Service Funds       | <u>48</u>        | Subsidy for capital asset purchase                             |
| Fire Protection District       | General Fund                 | <u>250</u>       | Subsidy for helicopter purchase                                |
| Non-major Governmental Funds   | General Fund                 | 369              | Subsidy for inmate welfare costs                               |
|                                | General Fund                 | 50               | Subsidy for prosecution costs                                  |
|                                | Non-major Governmental Funds | 12,532           | Transfer funds for capital outlay                              |
|                                | Non-major Governmental Funds | 18,467           | Transfer funds for scheduled debt service                      |
|                                | Non-major Governmental Funds | 292              | Subsidy for operating costs and housing set-aside              |
|                                | Non-major Governmental Funds | <u>17</u>        | Transfer of endowment interest                                 |
|                                |                              | <u>31,727</u>    |                                                                |
| Medical Center                 | General Fund                 | 22,221           | Transfer related to SB 855 revenue                             |
|                                | Internal Service Funds       | <u>18</u>        | Subsidy for capital asset purchase                             |
|                                |                              | <u>22,239</u>    |                                                                |
| Waterworks Districts           | Internal Service Funds       | <u>104</u>       | Subsidy for capital asset purchase                             |
| Non-major Enterprise Funds     | Non-major Enterprise Funds   | <u>464</u>       | Transfer of capital assets                                     |
| Internal Service Funds         | Internal Service Funds       | <u>257</u>       | Subsidy for capital asset purchase                             |
| Total                          |                              | <u>\$ 95,287</u> |                                                                |

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**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2004 was as follows (in thousands):

|                                               | Balance<br>July 1, 2003 | Additions         | Deletions        | Balance<br>June 30, 2004 |
|-----------------------------------------------|-------------------------|-------------------|------------------|--------------------------|
| <b>Governmental activities:</b>               |                         |                   |                  |                          |
| Capital assets, non-depreciated:              |                         |                   |                  |                          |
| Land                                          | \$ 208,082              | \$ 6,687          | \$ 120           | \$ 214,649               |
| Construction in progress                      | 111,065                 | 51,823            | 95,877           | 67,011                   |
| Total capital assets, non-depreciated         | <u>319,147</u>          | <u>58,510</u>     | <u>95,997</u>    | <u>281,660</u>           |
| Capital assets, depreciated:                  |                         |                   |                  |                          |
| Land improvements                             | 237                     | 646               | -                | 883                      |
| Structures and improvements                   | 275,469                 | 78,873            | 83               | 354,259                  |
| Equipment                                     | 98,423                  | 20,106            | 3,391            | 115,138                  |
| Vehicles                                      | 60,829                  | 7,568             | 5,043            | 63,354                   |
| Infrastructure                                | 340,951                 | 8,048             | -                | 348,999                  |
| Total capital assets, depreciated             | <u>775,909</u>          | <u>115,241</u>    | <u>8,517</u>     | <u>882,633</u>           |
| Less accumulated depreciation for:            |                         |                   |                  |                          |
| Land improvements                             | 150                     | 28                | -                | 178                      |
| Structures and improvements                   | 82,796                  | 6,762             | 5                | 89,553                   |
| Equipment                                     | 55,868                  | 9,104             | 2,281            | 62,691                   |
| Vehicles                                      | 29,687                  | 5,472             | 4,356            | 30,803                   |
| Infrastructure                                | 68,667                  | 3,450             | -                | 72,117                   |
| Total accumulated depreciation                | <u>237,168</u>          | <u>24,816</u>     | <u>6,642</u>     | <u>255,342</u>           |
| Total capital assets, depreciated, net        | <u>538,741</u>          | <u>90,425</u>     | <u>1,875</u>     | <u>627,291</u>           |
| Governmental activities capital assets, net   | <u>\$ 857,888</u>       | <u>\$ 148,935</u> | <u>\$ 97,872</u> | <u>\$ 908,951</u>        |
| <b>Business-type Activities (Enterprise):</b> |                         |                   |                  |                          |
| <b>Medical Center:</b>                        |                         |                   |                  |                          |
| Capital assets, non-depreciated:              |                         |                   |                  |                          |
| Land                                          | \$ 396                  | \$ -              | \$ -             | \$ 396                   |
| Construction in progress                      | 16,025                  | 6,799             | -                | 22,824                   |
| Total capital assets, non-depreciated         | <u>16,421</u>           | <u>6,799</u>      | <u>-</u>         | <u>23,220</u>            |
| Capital assets, depreciated:                  |                         |                   |                  |                          |
| Land improvements                             | 1,084                   | -                 | -                | 1,084                    |
| Structures and improvements                   | 41,597                  | 83                | -                | 41,680                   |
| Equipment                                     | 24,294                  | 1,479             | 46               | 25,727                   |
| Total capital assets, depreciated             | <u>66,975</u>           | <u>1,562</u>      | <u>46</u>        | <u>68,491</u>            |
| Less accumulated depreciation for:            |                         |                   |                  |                          |
| Land improvements                             | 1,084                   | -                 | -                | 1,084                    |
| Structures and improvements                   | 20,006                  | 1,271             | -                | 21,277                   |
| Equipment                                     | 16,702                  | 2,154             | 61               | 18,795                   |
| Total accumulated depreciation                | <u>37,792</u>           | <u>3,425</u>      | <u>61</u>        | <u>41,156</u>            |
| Total capital assets, depreciated, net        | <u>29,183</u>           | <u>(1,863)</u>    | <u>(15)</u>      | <u>27,335</u>            |
| Medical Center capital assets, net            | <u>\$ 45,604</u>        | <u>\$ 4,936</u>   | <u>\$ (15)</u>   | <u>\$ 50,555</u>         |

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|                                            | Balance<br>July 1, 2003 | Additions        | Deletions        | Balance<br>June 30, 2004 |
|--------------------------------------------|-------------------------|------------------|------------------|--------------------------|
| <b>Department of Airports:</b>             |                         |                  |                  |                          |
| Capital assets, non-depreciated:           |                         |                  |                  |                          |
| Land                                       | \$ 8,060                | \$ 192           | \$ -             | \$ 8,252                 |
| Construction in progress                   | 1,489                   | 874              | 1,148            | 1,215                    |
| Total capital assets, non-depreciated      | <u>9,549</u>            | <u>1,066</u>     | <u>1,148</u>     | <u>9,467</u>             |
| Capital assets, depreciated:               |                         |                  |                  |                          |
| Land improvements                          | 23,057                  | 3,071            | 194              | 25,934                   |
| Structures and improvements                | 13,929                  | 818              | -                | 14,747                   |
| Equipment                                  | 458                     | 61               | 9                | 510                      |
| Vehicles                                   | 431                     | -                | -                | 431                      |
| Total capital assets, depreciated          | <u>37,875</u>           | <u>3,950</u>     | <u>203</u>       | <u>41,622</u>            |
| Less accumulated depreciation for:         |                         |                  |                  |                          |
| Land improvements                          | 8,566                   | 1,063            | 106              | 9,523                    |
| Structures and improvements                | 7,397                   | 468              | -                | 7,865                    |
| Equipment                                  | 232                     | 25               | 9                | 248                      |
| Vehicles                                   | 300                     | 38               | -                | 338                      |
| Total accumulated depreciation             | <u>16,495</u>           | <u>1,594</u>     | <u>115</u>       | <u>17,974</u>            |
| Total capital assets, depreciated, net     | <u>21,380</u>           | <u>2,356</u>     | <u>88</u>        | <u>23,648</u>            |
| Department of Airports capital assets, net | <u>\$ 30,929</u>        | <u>\$ 3,422</u>  | <u>\$ 1,236</u>  | <u>\$ 33,115</u>         |
| <br><b>Waterworks Districts:</b>           |                         |                  |                  |                          |
| Capital assets, non-depreciated:           |                         |                  |                  |                          |
| Land                                       | \$ 2,272                | \$ 85            | \$ -             | \$ 2,357                 |
| Construction in progress                   | 15,853                  | 3,253            | 11,899           | 7,207                    |
| Total capital assets, non-depreciated      | <u>18,125</u>           | <u>3,338</u>     | <u>11,899</u>    | <u>9,564</u>             |
| Capital assets, depreciated:               |                         |                  |                  |                          |
| Land improvements                          | 96                      | -                | -                | 96                       |
| Structures and improvements                | 55,183                  | 11,927           | 98               | 67,012                   |
| Equipment                                  | 734                     | 52               | -                | 786                      |
| Vehicles                                   | 98                      | -                | -                | 98                       |
| Total capital assets, depreciated          | <u>56,111</u>           | <u>11,979</u>    | <u>98</u>        | <u>67,992</u>            |
| Less accumulated depreciation for:         |                         |                  |                  |                          |
| Land improvements                          | 33                      | 3                | -                | 36                       |
| Structures and improvements                | 16,701                  | 1,200            | 50               | 17,851                   |
| Equipment                                  | 154                     | 65               | -                | 219                      |
| Vehicles                                   | 34                      | 4                | -                | 38                       |
| Total accumulated depreciation             | <u>16,922</u>           | <u>1,272</u>     | <u>50</u>        | <u>18,144</u>            |
| Total capital assets, depreciated, net     | <u>39,189</u>           | <u>10,707</u>    | <u>48</u>        | <u>49,848</u>            |
| Waterworks Districts capital assets, net   | <u>\$ 57,314</u>        | <u>\$ 14,045</u> | <u>\$ 11,947</u> | <u>\$ 59,412</u>         |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

|                                                | Balance<br>July 1, 2003 | Additions        | Deletions        | Balance<br>June 30, 2004 |
|------------------------------------------------|-------------------------|------------------|------------------|--------------------------|
| <b>Non-major Enterprise Funds:</b>             |                         |                  |                  |                          |
| Capital assets, non-depreciated:               |                         |                  |                  |                          |
| Land                                           | \$ 9,532                | \$ -             | \$ -             | \$ 9,532                 |
| Construction in progress                       | 1,143                   | 682              | 152              | 1,673                    |
| Total capital assets, non-depreciated          | <u>10,675</u>           | <u>682</u>       | <u>152</u>       | <u>11,205</u>            |
| Capital assets, depreciated:                   |                         |                  |                  |                          |
| Land improvements                              | 4,468                   | 232              | 50               | 4,650                    |
| Structures and improvements                    | 15,114                  | 75               | 124              | 15,065                   |
| Equipment                                      | 1,689                   | 35               | 51               | 1,673                    |
| Total capital assets, depreciated              | <u>21,271</u>           | <u>342</u>       | <u>225</u>       | <u>21,388</u>            |
| Less accumulated depreciation for:             |                         |                  |                  |                          |
| Land improvements                              | 2,256                   | 211              | 25               | 2,442                    |
| Structures and improvements                    | 9,313                   | 435              | 52               | 9,696                    |
| Equipment                                      | 635                     | 120              | 39               | 716                      |
| Total accumulated depreciation                 | <u>12,204</u>           | <u>766</u>       | <u>116</u>       | <u>12,854</u>            |
| Total capital assets, depreciated, net         | <u>9,067</u>            | <u>(424)</u>     | <u>109</u>       | <u>8,534</u>             |
| Non-Major Enterprise Funds capital assets, net | <u>\$ 19,742</u>        | <u>\$ 258</u>    | <u>\$ 261</u>    | <u>\$ 19,739</u>         |
| Business-type activities capital assets, net   | <u>\$ 153,589</u>       | <u>\$ 22,661</u> | <u>\$ 13,429</u> | <u>\$ 162,821</u>        |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

**Depreciation**

Depreciation expense was charged to governmental functions as follows (in thousands):

|                                                      |            |                  |
|------------------------------------------------------|------------|------------------|
| General government:                                  |            |                  |
| General administration                               | \$ 2,412   |                  |
| Property management                                  | <u>357</u> |                  |
| Total general government                             |            | 2,769            |
| Public protection:                                   |            |                  |
| Judicial                                             | 539        |                  |
| Police protection                                    | 3,162      |                  |
| Detention and correction                             | 3,698      |                  |
| Fire protection                                      | 2,104      |                  |
| Watershed protection & soil & water conservation     | 2,213      |                  |
| Protective inspection                                | 18         |                  |
| Other                                                | <u>625</u> |                  |
| Total public protection                              |            | 12,359           |
| Public ways and facilities                           |            | 1,374            |
| Health and sanitation services                       |            | 151              |
| Public assistance:                                   |            |                  |
| Administration                                       | 40         |                  |
| Other                                                | <u>129</u> |                  |
| Total public assistance                              |            | 169              |
| Education                                            |            | 169              |
| Capital assets held by the internal service funds    |            | <u>7,825</u>     |
| Total depreciation expense - governmental activities |            | <u>\$ 24,816</u> |

Depreciation expense was charged to the business-type activities as follows (in thousands):

|                                                       |                 |
|-------------------------------------------------------|-----------------|
| Medical Center                                        | \$ 3,425        |
| Department of Airports                                | 1,594           |
| Waterworks Districts                                  | 1,272           |
| Parks Department                                      | 357             |
| Channel Islands Harbor Expansion                      | 217             |
| Channel Islands Harbor                                | <u>192</u>      |
| Total depreciation expense - Business-type activities | <u>\$ 7,057</u> |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

**Construction in Progress and Capital Projects Commitments**

Construction in progress for governmental activities represents work being performed on the Juvenile Justice Court Facility, infrastructure, and a number of smaller projects. Construction in progress in the business-type activities represents work being performed on the Medical Center, in the Waterworks Districts, and a number of smaller projects.

Construction in progress and capital projects commitments as of June 30, 2004 are as follows (in thousands):

|                                  | Construction<br>in Progress | Additional<br>Committed<br>Funds |
|----------------------------------|-----------------------------|----------------------------------|
| Governmental activities          | \$ 67,011                   | \$ 12,368                        |
| Business-type activities:        |                             |                                  |
| Medical Center                   | \$ 22,824                   | \$ -                             |
| Department of Airports           | 1,215                       | 1,636                            |
| Waterworks Districts             | 7,207                       | 384                              |
| Parks Department                 | 569                         | -                                |
| Channel Islands Harbor Expansion | 240                         | -                                |
| Channel Islands Harbor           | 628                         | -                                |
| Oak View School Preservation     | 236                         | -                                |
| Total business-type activities   | \$ 32,919                   | \$ 2,020                         |

Long-term commitments for infrastructure construction contracts totaled \$1,419,000 (principally for road and watershed protection projects) at June 30, 2004.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

**NOTE 8 - ACCRUED LIABILITIES**

Accrued liabilities at year-end of the County's major, non-major, and internal service funds in the aggregate are as follows (in thousands):

|                                | General          |               | Watershed     | Fire            |                 | Internal        | Total            |
|--------------------------------|------------------|---------------|---------------|-----------------|-----------------|-----------------|------------------|
|                                | Fund             | Roads         | Protection    | Protection      | Non-major       | Service         | Governmental     |
| <u>Governmental Funds</u>      |                  |               | Districts     | Districts       | Funds           | Funds           | Activities       |
| Accrued salaries and benefits  | \$ 10,934        | \$ -          | \$ -          | \$ 2,154        | \$ 883          | \$ 1,701        | \$ 15,672        |
| Audit disallowances:           |                  |               |               |                 |                 |                 |                  |
| Mental Health Short Doyle      | 1,753            | -             | -             | -               | -               | -               | 1,753            |
| Courts maintenance of effort   | 283              | -             | -             | -               | -               | -               | 283              |
| SB 90                          | 643              | -             | -             | -               | -               | -               | 643              |
| Clearing and other liabilities | 39,906           | 355           | 188           | 46              | 1,252           | 117             | 41,864           |
| Total                          | <u>\$ 53,519</u> | <u>\$ 355</u> | <u>\$ 188</u> | <u>\$ 2,200</u> | <u>\$ 2,135</u> | <u>\$ 1,818</u> | <u>\$ 60,215</u> |

|                                 | Medical         | Department   | Waterworks    | Non-major       | Total           |
|---------------------------------|-----------------|--------------|---------------|-----------------|-----------------|
|                                 | Center          | of Airports  | Districts     | Funds           | Business-type   |
| <u>Proprietary Funds</u>        |                 |              |               |                 | Activities      |
| Accrued salaries and benefits   | \$ 1,881        | \$ 58        | \$ -          | \$ 90           | \$ 2,029        |
| Estimated Medicare disallowance | 5,000           | -            | -             | -               | 5,000           |
| Clearing and other liabilities  | 827             | -            | 465           | 1,044           | 2,336           |
| Total                           | <u>\$ 7,708</u> | <u>\$ 58</u> | <u>\$ 465</u> | <u>\$ 1,134</u> | <u>\$ 9,365</u> |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

**NOTE 9 – LEASES**

**Operating Leases**

The County is committed under various noncancelable operating leases (principally in the General Fund). Future minimum operating lease commitments are as follows (in thousands):

| Year ending<br>June 30          | Governmental<br>Activities | Business-type<br>Activities |
|---------------------------------|----------------------------|-----------------------------|
| 2005                            | \$ 1,927                   | \$ 382                      |
| 2006                            | 1,075                      | 234                         |
| 2007                            | 577                        | 71                          |
| 2008                            | 326                        | 10                          |
| 2009                            | 241                        | 4                           |
| 2010-2014                       | 231                        | 8                           |
| Total minimum payments required | <u>\$ 4,377</u>            | <u>\$ 709</u>               |

Rental expense for County-wide operating leases was \$18,071,000 for the year ended June 30, 2004. Contingent rental revenues under operating leases are based on percentages of lessee sales and totaled approximately \$1,135,000 for the year ended June 30, 2004.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

The Channel Islands Harbor, Parks Department, and Department of Airports Enterprise funds lease properties to others under operating leases with terms of up to 97 years. The following is a summary of future minimum rental revenues on noncancelable leases at June 30, 2004 (in thousands):

| Year ending<br>June 30 | Amounts  | Year ending<br>June 30<br>(continued) | Amounts           |
|------------------------|----------|---------------------------------------|-------------------|
| 2005                   | \$ 4,698 | 2050-2054                             | \$ 1,711          |
| 2006                   | 4,437    | 2055-2059                             | 721               |
| 2007                   | 4,273    | 2060-2064                             | 721               |
| 2008                   | 4,228    | 2065-2069                             | 721               |
| 2009                   | 4,029    | 2070-2074                             | 721               |
| 2010-2014              | 19,215   | 2075-2079                             | 721               |
| 2015-2019              | 16,943   | 2080-2084                             | 721               |
| 2020-2024              | 13,932   | 2085-2089                             | 721               |
| 2025-2029              | 8,615    | 2090-2094                             | 721               |
| 2030-2034              | 6,138    | 2095-2099                             | 721               |
| 2035-2039              | 4,417    | 2100-2104                             | 73                |
| 2040-2044              | 4,188    |                                       |                   |
| 2045-2049              | 2,591    | Total                                 | <u>\$ 105,977</u> |

**Capital Leases**

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. There were no capital leases in the governmental activities.

The following is a schedule of property leased under capital leases by major class in the business-type activities at June 30, 2004 (in thousands):

|                                | Business-type<br>Activities |
|--------------------------------|-----------------------------|
| Structures and improvements    | \$ 789                      |
| Less: Accumulated amortization | 651                         |
| Total net of amortization      | <u>\$ 138</u>               |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

As of June 30, 2004, capital lease annual amortization in the business-type activities is as follows (in thousands):

| <u>Year ending June 30</u>          | <u>Business-type<br/>Activities</u> |
|-------------------------------------|-------------------------------------|
| 2005                                | \$ 17                               |
| 2006                                | 16                                  |
| 2007                                | 16                                  |
| 2008                                | 15                                  |
| 2009                                | 15                                  |
| 2010-2013                           | <u>48</u>                           |
| Total requirements                  | 127                                 |
| Less: amount representing interest  | <u>22</u>                           |
| Present value of remaining payments | <u><u>\$ 105</u></u>                |

**NOTE 10 – LONG-TERM DEBT**

Long-term obligations of the County consist of general obligation bonds, certificates of participation and lease revenue bonds, tax exempt commercial paper, loans payable, pension obligation bonds, capital leases, compensated absences, and other liabilities. Capitalized lease obligations are described further in Note 9.

General obligation bonds are not collateralized and are a direct obligation of the Watershed Protection Districts and Waterworks Districts with revenue for retirement of such bonds provided from ad valorem taxes on property within the districts. All general obligation bonds were retired in 2003-04.

Certificates of participation and lease revenue bonds are obligations of a public entity based on a lease agreement and are paid by lease payments from County departments/funds for use of the facilities or equipment constructed or purchased from the debt proceeds. Tax exempt commercial papers are unsecured short-term promissory notes issued with maturities ranging from two to 270 days. Pension obligation bonds provided funding for the unfunded actuarial accrued liability with respect to retirement benefits for County employees as of December 1, 1995.

Compensated absences are liabilities for vacation, vested sick leave benefits, and compensatory time, reported as required by GASB Statement Nos. 18 and 34 in the proprietary fund financial statements and the governmental and business-type activities of the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured due to employee resignations and retirements. Governmental fund liabilities are typically liquidated in the general fund and certain special revenue funds.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

Other liabilities include the liability for medical malpractice insurance claims incurred but not reported (tail coverage) for General Fund health departments and the Leaking Underground Fuel Tanks (LUFT) obligations for Fire Protection District, Transportation Internal Service Fund, and Department of Airports.

The Public Facilities Corporation (PFC) has provided five separate issues of debt securities beginning with PFC I in 1976 that was used to build the Victoria Avenue administrative complex and justice center. Completed projects included in the current issue, PFC V 1998, are acquisition of the Knoll Drive building, renovation of the 646 County Square Drive building, generator/utility replacement at the Medical Center, and refinancing of the State Loan on the Harbor fuel dock.

The Public Financing Authority (PFA) was formed in August of 1998. The tax exempt commercial paper (TECP) was used to refund PFC I and is currently used to upgrade information systems and programs including the Ventura County Integrated Justice Information System (VCIJIS), renovation or acquisition of facilities, acquisition of medical equipment, and the Juvenile Justice Complex including Detention Facilities and Courts.

On October 21, 2003, PFA issued \$27,110,000 of 2003 Certificates of Participation (Public Financing Authority II) (COPs) at a premium of \$667,000 in \$5,000 denominations with interest ranging from 2.50% to 5.25% to finance the following projects: (i) Gonzales Road Regional Public Health Care Building, (ii) construction of a Juvenile Justice Complex Court Facility, and to fund a reserve fund, capitalized interest, and to pay the cost of issuance.

PFC IV Certificates of Participation were defeased effective July 25, 2001 by placing the proceeds from a new bond issue and other available funds from within PFC IV in an irrevocable trust fund to provide for all future debt service payments. The trustee made final distribution from the irrevocable trust on December 1, 2003.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

Summaries of long-term indebtedness and liabilities incurred by the governmental and business-type activities, outstanding as of June 30, 2004, are as follows (in thousands):

| Type of indebtedness/ liabilities                         | Maturity          | Interest Rates | Original Issue Amount |
|-----------------------------------------------------------|-------------------|----------------|-----------------------|
| <b>Governmental activities:</b>                           |                   |                |                       |
| <i>General Obligation Bonds:</i>                          |                   |                |                       |
| Ventura County Watershed Protection Districts             | Completed         | 4.87%          | \$ 2,435              |
| <i>Certificates of Participation/Lease Revenue Bonds:</i> |                   |                |                       |
| Public Facilities Corporation V                           | 08/15/04-08/15/13 | 4.00 - 4.625%  | 3,160                 |
| Public Financing Authority (2001):                        |                   |                |                       |
| General Fund                                              | 08/15/04-08/15/16 | 4.00 - 5.375%  | 48,189                |
| General Services Agency - Facilities                      | 08/15/04-08/15/16 | 4.00 - 5.375%  | 4,365                 |
| Public Financing Authority II                             | 08/15/04-08/15/19 | 2.50 - 5.25%   | 27,110                |
| Total                                                     |                   |                | <u>82,824</u>         |
| <i>Tax Exempt Commercial Paper:</i>                       |                   |                |                       |
| Public Financing Authority:                               |                   |                |                       |
| General Fund                                              | Rolling           | Market         | 34,537                |
| Information Systems                                       | Rolling           | Market         | 5,763                 |
| Total                                                     |                   |                | <u>40,300</u>         |
| <i>Pension Obligation Bonds</i>                           | 11/01/04-11/01/07 | 6.50 - 6.63%   | <u>154,510</u>        |
| <i>Loans Payable:</i>                                     |                   |                |                       |
| County Service Areas                                      | 11/16/04-11/16/08 | 6.60%          | 459                   |
| RAIN Rehabilitation Project - Lewis Road                  | Completed         | Market         | 675                   |
| Redevelopment Agency - Piru (CDBG)                        | N/A               | N/A            | 150                   |
| Redevelopment Agency - Piru (USDA)                        | 07/01/04-07/01/17 | 4.75%          | 750                   |
| (Maximum Commitment of \$750)                             |                   |                |                       |
| Total                                                     |                   |                | <u>2,034</u>          |
| <i>Compensated Absences Liability</i>                     | N/A               | N/A            | <u>-</u>              |
| <i>Other Liabilities</i>                                  | N/A               | N/A            | <u>-</u>              |
| Total Governmental Activities                             |                   |                | <u>\$ 282,103</u>     |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

| Outstanding<br>July 1,<br>2003             | Additions<br>and<br>Transfers | Maturities<br>and<br>Transfers | Outstanding<br>June 30,<br>2004 | Amount Due<br>Within<br>One Year | Type of indebtedness/ liabilities             |
|--------------------------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------------|-----------------------------------------------|
| <b>Governmental activities:</b>            |                               |                                |                                 |                                  |                                               |
| <i>General Obligation Bonds:</i>           |                               |                                |                                 |                                  |                                               |
| \$ 295                                     | \$ -                          | \$ 295                         | \$ -                            | \$ -                             | Ventura County Watershed Protection Districts |
| <i>Certificates of Participation/Lease</i> |                               |                                |                                 |                                  |                                               |
| <i>Revenue Bonds:</i>                      |                               |                                |                                 |                                  |                                               |
| 2,515                                      | -                             | 185                            | 2,330                           | 195                              | Public Facilities Corporation V               |
| 46,143                                     | -                             | 2,174                          | 43,969                          | 3,976                            | Public Financing Authority (2001):            |
| 4,165                                      | -                             | 220                            | 3,945                           | 230                              | General Fund                                  |
| -                                          | 27,110                        | -                              | 27,110                          | 490                              | General Services Agency - Facilities          |
| 52,823                                     | 27,110                        | 2,579                          | 77,354                          | 4,891                            | Public Financing Authority II - General Fund  |
|                                            |                               |                                |                                 |                                  | Total                                         |
| <i>Tax Exempt Commercial Paper:</i>        |                               |                                |                                 |                                  |                                               |
| 37,200                                     | 2,566                         | 20,418                         | 19,348                          | 5,851                            | Public Financing Authority                    |
| 3,114                                      | -                             | 803                            | 2,311                           | 804                              | General Fund                                  |
| 40,314                                     | 2,566                         | 21,221                         | 21,659                          | 6,655                            | Information Systems                           |
|                                            |                               |                                |                                 |                                  | Total                                         |
| 89,300                                     | -                             | 15,830                         | 73,470                          | 17,970                           |                                               |
| <i>Pension Obligation Bonds</i>            |                               |                                |                                 |                                  |                                               |
| <i>Loans Payable:</i>                      |                               |                                |                                 |                                  |                                               |
| 184                                        | -                             | 26                             | 158                             | 28                               | County Service Areas                          |
| 675                                        | -                             | 675                            | -                               | -                                | RAIN Rehabilitation Project - Lewis Road      |
| 130                                        | -                             | -                              | 130                             | -                                | Redevelopment Agency - Piru (CDBG)            |
| 677                                        | 73                            | 39                             | 711                             | 37                               | Redevelopment Agency - Piru (USDA)            |
|                                            |                               |                                |                                 |                                  | (Maximum Commitment of \$750)                 |
| 1,666                                      | 73                            | 740                            | 999                             | 65                               | Total                                         |
| 50,145                                     | 20,250                        | 20,693                         | 49,702                          | 19,903                           |                                               |
| 2,047                                      | 211                           | 419                            | 1,839                           | 830                              |                                               |
| \$ 236,590                                 | \$ 50,210                     | \$ 61,777                      | \$ 225,023                      | \$ 50,314                        | Total Governmental Activities                 |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

| Type of indebtedness/ liabilities                       | Maturity          | Interest Rates | Original Issue Amount |
|---------------------------------------------------------|-------------------|----------------|-----------------------|
| <b>Business-type Activities - Major Funds:</b>          |                   |                |                       |
| <i>Medical Center:</i>                                  |                   |                |                       |
| Public Facilities Corporation V                         | 08/15/04-08/15/13 | 4.00 - 4.625%  | \$ 8,695              |
| Public Financing Authority I                            | 08/15/04-08/15/16 | 4.00 - 5.375%  | 23,421                |
| Public Financing Authority/ Tax Exempt Commercial Paper | Rolling           | Market         | 3,753                 |
| Total Medical Center                                    |                   |                | <u>35,869</u>         |
| <i>Department of Airports:</i>                          |                   |                |                       |
| Department of Transportation Loan                       | 08/13/04-08/13/15 | 4.984%         | 240                   |
| Department of Transportation Loan                       | 05/13/04-05/13/14 | 4.635%         | 260                   |
| Total Department of Airports                            |                   |                | <u>500</u>            |
| <i>Waterworks Districts:</i>                            |                   |                |                       |
| General Obligation Bonds                                | Completed         | 7.25%          | 215                   |
| General Obligation Bonds                                | Completed         | 5.625%         | 290                   |
| State Water Loan                                        | 04/01/04-04/01/14 | 3.371%         | 260                   |
| Revolving Fund Loan                                     | 09/01/04-09/01/22 | 2.60%          | 1,364                 |
| (Maximum Commitment of \$1,789)                         |                   |                |                       |
| Total Waterworks Districts                              |                   |                | <u>2,129</u>          |
| <b>Business-type Activities - Non-major Funds:</b>      |                   |                |                       |
| <i>Parks Department:</i>                                |                   |                |                       |
| Capital Lease Obligation                                | Monthly to 02/13  | 4.75%          | <u>311</u>            |
| <i>Channel Islands Harbor Expansion:</i>                |                   |                |                       |
| Channel Islands Harbor Loan (NOAA)                      | 06/15/04-06/15/12 | 5.00%          | 450                   |
| State Recreation Loan                                   | 08/01/04-08/01/05 | 4.50%          | 1,225                 |
| State Recreation Loan                                   | 08/01/04-08/01/09 | 4.50%          | 4,668                 |
| Department of Boating and Waterways                     | 08/01/04-08/01/32 | 4.50%          | 184                   |
| (Maximum Commitment of \$5,000)                         |                   |                |                       |
| Total Channel Islands Harbor Expansion                  |                   |                | <u>6,527</u>          |
| <i>Channel Islands Harbor:</i>                          |                   |                |                       |
| Public Facilities Corp V - Fuel Dock                    | 08/15/04-08/15/13 | 4.00 - 4.625%  | <u>530</u>            |
| <i>Oak View Park and Resource Center</i>                |                   |                |                       |
| Public Financing Authority/ Tax Exempt Commercial Paper | Rolling           | Market         | <u>1,200</u>          |
| <i>Compensated Absences Liability</i>                   | N/A               | N/A            | <u>-</u>              |
| <i>Other Liabilities</i>                                | N/A               | N/A            | <u>-</u>              |
| Total Business-type Activities                          |                   |                | <u>\$ 47,066</u>      |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

| Outstanding<br>July 1,<br>2003                     | Additions<br>and<br>Transfers | Maturities<br>and<br>Transfers | Outstanding<br>June 30,<br>2004 | Amount Due<br>Within<br>One Year | Type of indebtedness/ liabilities           |
|----------------------------------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------------|---------------------------------------------|
| <b>Business-type Activities - Major Funds:</b>     |                               |                                |                                 |                                  |                                             |
| <i>Medical Center:</i>                             |                               |                                |                                 |                                  |                                             |
| \$ 7,635                                           | \$ -                          | \$ 565                         | \$ 7,070                        | \$ 585                           | Public Facilities Corporation V             |
| 22,532                                             | -                             | 941                            | 21,591                          | 1,924                            | Public Financing Authority I                |
|                                                    |                               |                                |                                 |                                  | Public Financing Authority/ Tax Exempt      |
| 2,556                                              | 412                           | 536                            | 2,432                           | 589                              | Commercial Paper                            |
| 32,723                                             | 412                           | 2,042                          | 31,093                          | 3,098                            | Total Medical Center                        |
| <i>Department of Airports:</i>                     |                               |                                |                                 |                                  |                                             |
| 201                                                | -                             | 11                             | 190                             | 12                               | Department of Transportation Loan           |
| 213                                                | -                             | 15                             | 198                             | 15                               | Department of Transportation Loan           |
| 414                                                | -                             | 26                             | 388                             | 27                               | Total Department of Airports                |
| <i>Waterworks Districts:</i>                       |                               |                                |                                 |                                  |                                             |
| 20                                                 | -                             | 20                             | -                               | -                                | General Obligation Bonds                    |
| 25                                                 | -                             | 25                             | -                               | -                                | General Obligation Bonds                    |
| 152                                                | -                             | 11                             | 141                             | 11                               | State Water Loan                            |
| 976                                                | 388                           | 35                             | 1,329                           | 56                               | Revolving Fund Loan                         |
|                                                    |                               |                                |                                 |                                  | (Maximum commitment of \$1,769)             |
| 1,173                                              | 388                           | 91                             | 1,470                           | 67                               | Total Waterworks Districts                  |
| <b>Business-type Activities - Non-major Funds:</b> |                               |                                |                                 |                                  |                                             |
| <i>Parks Department:</i>                           |                               |                                |                                 |                                  |                                             |
| 117                                                | -                             | 12                             | 105                             | 12                               | Capital Lease Obligation                    |
| <i>Channel Islands Harbor Expansion:</i>           |                               |                                |                                 |                                  |                                             |
| 230                                                | -                             | 20                             | 210                             | 22                               | Channel Islands Harbor Loan (NOAA)          |
| 220                                                | -                             | 70                             | 150                             | 73                               | State Recreation Loan                       |
| 1,970                                              | -                             | 246                            | 1,724                           | 257                              | State Recreation Loan                       |
| 93                                                 | 91                            | 2                              | 182                             | 4                                | Department of Boating and Waterways         |
|                                                    |                               |                                |                                 |                                  | (Maximum Commitment of \$5,000)             |
| 2,513                                              | 91                            | 338                            | 2,266                           | 356                              | Total Channel Islands Harbor Expansion      |
| <i>Channel Islands Harbor:</i>                     |                               |                                |                                 |                                  |                                             |
| 420                                                | -                             | 30                             | 390                             | 30                               | Public Facilities Corporation V - Fuel Dock |
| <i>Oak View Park and Resource Center</i>           |                               |                                |                                 |                                  |                                             |
| 929                                                | 23                            | 43                             | 909                             | 56                               | Public Financing Authority/ Tax Exempt      |
|                                                    |                               |                                |                                 |                                  | Commercial Paper                            |
| 3,586                                              | 2,399                         | 2,130                          | 3,855                           | 2,253                            | Compensated Absences Liability              |
| 346                                                | 608                           | 339                            | 615                             | 477                              | Other Liabilities                           |
| \$ 42,221                                          | \$ 3,921                      | \$ 5,051                       | \$ 41,091                       | \$ 6,376                         | Total Business-type Activities              |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

As of June 30, 2004, annual debt service requirements of governmental activities to maturity are as follows (in thousands):

| Year<br>Ending<br>June 30 | Certificates of<br>Participation |                  | Tax Exempt<br>Commercial Paper |                 | Pension<br>Obligation Bonds |                 | Loans Payable |               |
|---------------------------|----------------------------------|------------------|--------------------------------|-----------------|-----------------------------|-----------------|---------------|---------------|
|                           | Principal                        | Interest         | Principal                      | Interest        | Principal                   | Interest        | Principal     | Interest      |
| 2005                      | \$ 4,891                         | \$ 3,277         | \$ 6,655                       | \$ 450          | \$ 17,970                   | \$ 4,234        | \$ 65         | \$ 44         |
| 2006                      | 6,044                            | 3,065            | 3,182                          | 319             | 20,315                      | 2,986           | 133           | 41            |
| 2007                      | 6,270                            | 2,830            | 3,199                          | 252             | 22,875                      | 1,569           | 72            | 37            |
| 2008                      | 6,514                            | 2,583            | 2,022                          | 186             | 12,310                      | 408             | 76            | 32            |
| 2009                      | 6,765                            | 2,322            | 2,009                          | 143             | -                           | -               | 80            | 38            |
| 2010-2014                 | 25,315                           | 8,265            | 4,439                          | 197             | -                           | -               | 322           | 98            |
| 2015-2019                 | 20,165                           | 2,520            | 153                            | 4               | -                           | -               | 251           | 30            |
| 2020-2024                 | 1,390                            | 37               | -                              | -               | -                           | -               | -             | -             |
| Total requirements        | <u>\$ 77,354</u>                 | <u>\$ 24,899</u> | <u>\$ 21,659</u>               | <u>\$ 1,551</u> | <u>\$ 73,470</u>            | <u>\$ 9,197</u> | <u>\$ 999</u> | <u>\$ 320</u> |

Interest payments and lease revenue bonds and certificate of participation retirements are serviced by revenues generated from lease payments made by the General Fund on leased facilities.

As of June 30, 2004, annual debt service requirements of business-type activities for major funds and non-major funds to maturity are as follows (in thousands):

| Year<br>Ending<br>June 30 | MEDICAL CENTER                   |                 |                                |               | DEPARTMENT OF<br>AIRPORTS |               | WATERWORKS<br>DISTRICTS |               |
|---------------------------|----------------------------------|-----------------|--------------------------------|---------------|---------------------------|---------------|-------------------------|---------------|
|                           | Certificates of<br>Participation |                 | Tax Exempt<br>Commercial Paper |               | Loans Payable             |               | Loans Payable           |               |
|                           | Principal                        | Interest        | Principal                      | Interest      | Principal                 | Interest      | Principal               | Interest      |
| 2005                      | \$ 2,509                         | \$ 1,263        | \$ 589                         | \$ 49         | \$ 27                     | \$ 19         | \$ 67                   | \$ 37         |
| 2006                      | 2,610                            | 1,158           | 600                            | 37            | 30                        | 17            | 68                      | 35            |
| 2007                      | 2,715                            | 1,047           | 613                            | 25            | 32                        | 16            | 71                      | 33            |
| 2008                      | 2,831                            | 926             | 186                            | 13            | 33                        | 15            | 72                      | 32            |
| 2009                      | 2,956                            | 798             | 189                            | 9             | 36                        | 12            | 74                      | 29            |
| 2010-2014                 | 10,335                           | 2,537           | 255                            | 6             | 199                       | 37            | 399                     | 118           |
| 2015-2019                 | 4,705                            | 379             | -                              | -             | 31                        | 3             | 387                     | 67            |
| 2020-2024                 | -                                | -               | -                              | -             | -                         | -             | 332                     | 20            |
| Totals                    | <u>\$ 28,661</u>                 | <u>\$ 8,108</u> | <u>\$ 2,432</u>                | <u>\$ 139</u> | <u>\$ 388</u>             | <u>\$ 119</u> | <u>\$ 1,470</u>         | <u>\$ 371</u> |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

| Year<br>Ending<br>June 30 | NON-MAJOR FUNDS                  |          |                                |          |               |          |
|---------------------------|----------------------------------|----------|--------------------------------|----------|---------------|----------|
|                           | Certificates of<br>Participation |          | Tax Exempt<br>Commercial Paper |          | Loans Payable |          |
|                           | Principal                        | Interest | Principal                      | Interest | Principal     | Interest |
| 2005                      | \$ 30                            | \$ 16    | \$ 56                          | \$ 18    | \$ 356        | \$ 103   |
| 2006                      | 35                               | 15       | 57                             | 17       | 370           | 87       |
| 2007                      | 35                               | 13       | 58                             | 16       | 305           | 70       |
| 2008                      | 35                               | 12       | 59                             | 15       | 325           | 56       |
| 2009                      | 40                               | 10       | 60                             | 14       | 338           | 40       |
| 2010-2014                 | 215                              | 25       | 320                            | 49       | 429           | 58       |
| 2015-2019                 | -                                | -        | 299                            | 16       | 27            | 29       |
| 2020-2024                 | -                                | -        | -                              | -        | 33            | 23       |
| 2025-2029                 | -                                | -        | -                              | -        | 42            | 15       |
| 2030-2034                 | -                                | -        | -                              | -        | 41            | 5        |
| Totals                    | \$ 390                           | \$ 91    | \$ 909                         | \$ 145   | \$ 2,266      | \$ 486   |

#### Legal Debt Limit

The County's legal annual debt limit as of June 30, 2004 is approximately \$904,356,000. The County's legal debt limit is set by statute at 1.25 percent of total assessed valuation. The general bonded debt per capita is \$0.00, due to the payment in full of the Watershed Protection and Waterworks Funds' general obligation debt during fiscal year 2003-04. The general obligation debt subject to the debt limit is \$209,998,000.

#### Arbitrage

The Internal Revenue Code of 1986, Sections 103 and 141 through 150, restricts the amount of interest earned on the proceeds of tax-exempt issuances. The interest earnings rate cannot exceed the yield on the tax-exempt borrowings. The issuer is required to rebate any excess earnings to the federal government.

Every fifth year, until the last COP is paid or redeemed, an arbitrage calculation is required by the Internal Revenue Service. At least 90 percent of the arbitrage calculation is required to be paid at the installment due date. As of June 30, 2004, 100 percent of the arbitrage has been paid. The trustee yield-restricted all investments in accordance with the trustee's agreement; therefore, the arbitrage rebate amount should not fluctuate significantly in future years.

#### Special Assessment Debt

As of June 30, 2004, special assessment bonds were outstanding in the amounts of \$3,475,000 of Local Agency Revenue Bonds, 1998 Series "A", and \$3,315,000 of Limited Obligation Refunding Improvement Bonds for Reassessment District No. 98-1 (Lake Sherwood). On August 26, 1998, the PFA, a joint powers authority involving the County and the Lake Sherwood Community Services District, issued the Local Agency bonds and used the proceeds to purchase the Limited Obligation Bonds from the County. The payment for the Limited Obligation Bonds was used to refund the original District 90-1 (Lake Sherwood) Bonds.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

As of June 30, 2004, tax exempt commercial paper was outstanding in the amount of \$909,000 for the Oak View School Preservation and Maintenance District (Oak Park District). On August 2, 2002, the Oak Park District was formed to purchase and rehabilitate the Oak View School for a community park and family resource center. The initial funding was provided by a loan from tax exempt commercial paper partially offset by grant funds. The cost of debt payments over the thirty year period and operations will be paid solely from benefit assessments.

The County acts as an agent for the property owners in collecting assessments for these districts, forwarding the collections to the bondholders, and initiating foreclosure proceedings, if appropriate. However, the County is not obligated in any manner for repayment of these special assessment bonds. The Lake Sherwood bonds are not reported in the accompanying financial statements. The County directly administers the Oak View School project and the related PFA debt; therefore, the debt, along with other PFA issued County debt, is included in the accompanying financial statements.

**NOTE 11 – NET ASSETS/FUND BALANCES**

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets, net of related debt, restricted, and unrestricted.

- *Invested In Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category represents assets subject to external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Outstanding debt attributable to these assets reduce the balance of this category.
- *Unrestricted Net Assets* – This category represents net assets of the County not restricted for any project or other purpose. Outstanding debt attributable to these assets reduce the balance of this category.

**Government-wide Statement of Net Assets**

Restricted net assets are reported in the government-wide statement of net assets as follows (in thousands):

|                                                   | Governmental<br>Activities | Business-type<br>Activities | Total            |
|---------------------------------------------------|----------------------------|-----------------------------|------------------|
| Restricted by creditors                           | \$ 451                     | \$ 5,239                    | \$ 5,690         |
| Restricted by regulations of<br>other governments | -                          | 1,620                       | 1,620            |
| Restricted by grantors                            | 51,571                     | 1,773                       | 53,344           |
| Total restricted net assets                       | <u>\$ 52,022</u>           | <u>\$ 8,632</u>             | <u>\$ 60,654</u> |

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

**Fund Statement - Fund Balances**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for use for a specific purpose. Reserved fund balances at June 30, 2004 are reserved for the following purposes (in thousands):

|                               | General<br>Fund | Roads           | Watershed<br>Protection<br>Districts | Fire<br>Protection<br>District | Non-Major<br>Funds | Total           |
|-------------------------------|-----------------|-----------------|--------------------------------------|--------------------------------|--------------------|-----------------|
| <b>Reserved Fund Balances</b> |                 |                 |                                      |                                |                    |                 |
| Encumbrances                  | \$ 7,939        | \$ 3,028        | \$ 3,086                             | \$ 9,190                       | \$ 239             | \$23,482        |
| Long-term receivables         | 1,251           | -               | -                                    | -                              | 1,046              | 2,297           |
| Imprest cash funds            | 701             | -               | -                                    | -                              | 1                  | 702             |
| Inventory                     | 39              | -               | -                                    | 599                            | 13                 | 651             |
| Debt service                  | -               | -               | -                                    | -                              | 16,510             | 16,510          |
| Other legal restrictions      | 17,601          | -               | -                                    | -                              | 1,122              | 18,723          |
| General reserve               | 7,000           | -               | -                                    | -                              | 22                 | 7,022           |
| Total Reserved fund balances  | <u>\$34,531</u> | <u>\$ 3,028</u> | <u>\$ 3,086</u>                      | <u>\$ 9,789</u>                | <u>\$ 18,953</u>   | <u>\$69,387</u> |

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.
- *Long-term receivables* – to reflect the amount of advances and loans that are long-term in nature. Such amounts do not represent available spendable resources.
- *Imprest cash* - to reflect the portion of assets set aside for the purpose of minor disbursements or disbursements for a specific purpose.
- *Inventories* – to reflect the portion of assets which do not represent available spendable resources.
- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- *Other legal restrictions* – to reflect the portion of assets subject to externally imposed restrictions. Such amounts are not available for general operations.
- *General reserve* - to reflect the funds established for legally declared emergencies. Such reserves may be released only to meet emergencies as defined in Government Code Section 29127.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

In the fund financial statements, governmental funds report unreserved fund balances which include Board approved unreserved designated fund balances and the unreserved undesignated fund balance. Unreserved fund balances at June 30, 2004 are as follows (in thousands):

|                                              | General<br>Fund  | Roads            | Watershed<br>Protection<br>Districts | Fire<br>Protection<br>District | Non-Major<br>Funds | Total             |
|----------------------------------------------|------------------|------------------|--------------------------------------|--------------------------------|--------------------|-------------------|
| <b>Designated Fund Balances</b>              |                  |                  |                                      |                                |                    |                   |
| Contingency                                  | \$ 8,495         | \$ -             | \$ -                                 | \$ -                           | \$ -               | \$ 8,495          |
| Litigation                                   | 224              | -                | 233                                  | -                              | -                  | 457               |
| Capital asset acquisition<br>and replacement | 4,645            | -                | -                                    | 2,485                          | 105                | 7,235             |
| Low and moderate housing                     | -                | -                | -                                    | -                              | 306                | 306               |
| Future watershed protection projects         | -                | -                | 7,115                                | -                              | -                  | 7,115             |
| Future year financing                        | 26,197           | 6,750            | 19,347                               | 2,513                          | 2,353              | 57,160            |
| Total designated balances                    | 39,561           | 6,750            | 26,695                               | 4,998                          | 2,764              | 80,768            |
| <b>Undesignated Fund Balances</b>            | 39,232           | 35,362           | 64,580                               | 36,089                         | 6,290              | 181,553           |
| Total unreserved fund balances               | <u>\$ 78,793</u> | <u>\$ 42,112</u> | <u>\$ 91,275</u>                     | <u>\$ 41,087</u>               | <u>\$ 9,054</u>    | <u>\$ 262,321</u> |

The Board has established certain fund balances designated for future purposes that represent tentative management plans that are subject to change. Some of the designations are held for a short time preliminary to special use. Other designations are set aside for longer periods for use in the future, whether for emergency, planned usage or savings. GASB 34 requires these designated balances to be included in the unreserved fund balance because the Board may elect to make the designations available. The General Fund designation for future year financing includes \$15.7 million for Tobacco Settlement health purposes.

The unreserved undesignated fund balances are considered available for appropriation. Some of the amounts available are held in County "trust funds" and as required by GASB 34 are recognized as revenue, deferred revenue or liabilities. However, for budgetary purposes, most of these trust balances may be included in subsequent years' budgets.

## NOTE 12 – PENSION PLANS

### VCERA Plan

#### (a) Plan Description

The County has a contributory defined benefit plan (Plan) established pursuant to Government Code Sections 31450 through 31899 and administered by the VCERA. VCERA operates a cost-sharing, multiple-employer system with substantially all member employers included in the County's primary government reporting entity. Covered employees include those from Courts, Air Pollution Control District and other smaller special districts. Due to the relative insignificance of the non-County employers participating in the plan, the County has elected to include financial statement disclosures required for a single-employer plan. Membership in the VCERA is mandatory for substantially all employees.

VCERA is governed by the Board of Retirement. The Plan's benefit provisions and contribution requirements are established by state law and resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors. VCERA issues a stand-alone financial report. A copy of this report can be obtained by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, California, 93003.

COUNTY OF VENTURA  
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Plan members are classified as either General or Safety categories. General members employed prior to or on June 29, 1979 and certain other employees before June 30, 2002 are designated as Tier I members. General members employed after June 29, 1979 are designated as Tier II members. All Safety members are classified as Tier I regardless of date of hire and primarily include eligible Sheriff's Department, Fire Department, District Attorney, and Probation employees.

*(b) Retirement Benefits*

A General or Safety member with 10 or more years of County service is entitled to an annual retirement allowance beginning at age 50. General members with 30 or more years of service and Safety members with 20 or more years of service may begin receiving a retirement allowance regardless of age. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation.

Employees terminating before accruing five years of retirement service credit (five-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement.

In addition, certain death, disability, and supplemental benefits are provided to eligible employees. Cost of living adjustments of up to three percent per annum are made for all Tier 1 employees.

*(c) Actuarially Determined Contribution Requirements*

The funding policy provides for periodic employer and employee contributions at actuarially determined rates, expressed as level percentages of annual covered payroll, that are sufficient to accumulate the required assets to pay benefits when due. The smoothing of market value method is used to determine the actuarial value of assets. In accordance with various employee collective bargaining agreements, the County subsidizes the employees' regular contributions in various amounts, depending on the classification of the employee. Contribution rates for employees range from 4.32 percent to 8.65 percent of retirement compensation base. Contribution rates are determined using the "entry age normal cost" method. Under this method, normal cost is the level amount that would fund the projected benefit if it was paid annually from the date of employment until retirement.

Employee and employer contribution rates in effect during fiscal year 2003-04 were based on the actuarial valuation performed as of June 30, 2002. The significant actuarial assumptions in the June 30, 2004 actuarial valuation are summarized as follows:

|                                                                                                                           | <u>Assumptions</u> |
|---------------------------------------------------------------------------------------------------------------------------|--------------------|
| • Rate of return on investment                                                                                            | 8.00%              |
| • Projected salary increases                                                                                              | 5.00%              |
| Amount attributable to inflation                                                                                          | 4.00%              |
| Amount attributable to seniority and merit                                                                                | 0.75%              |
| Amount attributable to real "across the board"                                                                            | 0.25%              |
| • Annual cost of living increases after retirement (Tier 1 and Safety members only - tied to Consumer Price Index change) | 0.00-3.00%         |

COUNTY OF VENTURA  
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*(d) Contributions and Transfers Made*

As a condition of participation, employees are required to contribute a percentage of their annual compensation to the Plan. The balance of member contributions, General and Safety, on deposit at June 30, 2004, was \$376,005,000. The County's contribution to the Plan, based on actuarially determined percentages of payroll costs, together with employees' contributions, are intended to provide the defined benefits of the Plan. Employer contributions on deposit at June 30, 2004 were \$280,749,000.

No employer contributions were made in fiscal years 2001-02, and 2002-03. Actuarially determined employer contributions of \$10,071,000 were made in 2003-04. These contributions represent 100 percent of the annual pension cost required for fiscal years 2002, 2003, and 2004. Therefore, in accordance with GASB Statement No. 27, there is no net pension obligation for fiscal years 2002, 2003, and 2004.

The County also made other employer contributions. Payments were made on behalf of employees as a result of employer-employee negotiations for fiscal years 2001-02, 2002-03, and 2003-04, in the amounts of \$5,105,000, \$5,384,000, and \$5,637,000 respectively. The negotiated amounts are credited to the County Advance Reserves of VCERA and do not vest with the employee.

The employees contributed \$11,367,000, including \$3,321,000 for purchase of service credits in fiscal year 2003-04. In addition, the County contributed \$17,528,000 on behalf of the employees as a "pickup" of employee contributions as a result of the employer-employee negotiations. This was credited to the individual employee accounts.

*(e) Supplementary Information (Unaudited)*

The supplemental schedule of funding progress for the three most recent actuarial valuations is as follows (in thousands):

| Actuarial<br>Valuation<br>June 30 | Actuarial<br>Value of<br>Assets (a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age (b) | Unfunded<br>(Funding<br>Excess)<br>AAL (b-a) | Funded<br>Ratio (a/b) | Annual<br>Covered<br>Payroll (c) | (Funding<br>Excess) AAL as<br>a Percentage of<br>Covered Payroll<br>((b-a)/c) |
|-----------------------------------|-------------------------------------|-------------------------------------------------------------|----------------------------------------------|-----------------------|----------------------------------|-------------------------------------------------------------------------------|
| 2002                              | \$ 2,128,354                        | \$ 1,918,585                                                | \$ (209,769)                                 | 110.93%               | \$ 419,048                       | (50.06)%                                                                      |
| * 2003                            | \$ 2,057,493                        | \$ 2,202,018                                                | \$ 144,525                                   | 93.44%                | \$ 455,789                       | 31.71%                                                                        |
| ** 2004                           |                                     |                                                             |                                              |                       |                                  |                                                                               |

\* After change in economic and demographic assumptions.

\*\* Information was not available at publication date

*(f) Investment Valuation*

VCERA's investments are stated at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. The fair value of the VCERA's position in their trustee's investment pool is the same as the value of the pool shares. Other than those investments issued or guaranteed by the United States Government, no investments in any one organization represent five percent or more of net plan assets.

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**Supplemental Retirement Plan**

*(a) Plan Description*

The SRP is a single employer contributory defined benefit pension plan governed by the Board of Supervisors and provisions of Internal Revenue Code Section 401. The SRP was adopted on January 1, 1992, and amended on August 31, 1993 and in April 2001. A separate financial statement is not issued by SRP. The schedule of funding progress and schedule of employer contributions are included in the Required Supplementary Information section of this report.

In lieu of separately issued financial statements for the SRP, condensed financial statements are presented as follows:

Statement of Fiduciary Net Assets

|                                                    |                        |
|----------------------------------------------------|------------------------|
| Cash and other current assets                      | \$ 8,000               |
| Amount receivable from other governmental agencies | 296                    |
| Total assets                                       | <u>8,296</u>           |
| Current liabilities                                | 9                      |
| Amount payable to other governmental agencies      | 113                    |
| Total liabilities                                  | <u>122</u>             |
| Net assets held in trust for pension benefits      | <u><u>\$ 8,174</u></u> |

Statement of Changes in Fiduciary Net Assets

|                        |                        |
|------------------------|------------------------|
| Total additions        | \$ 1,846               |
| Total deductions       | 506                    |
| Change in net assets   | 1,340                  |
| Net assets - beginning | 6,834                  |
| Net assets - ending    | <u><u>\$ 8,174</u></u> |

SRP has three parts. Part B, the "Safe Harbor" Plan, provides retirement benefits to County employees whose employment with the County does not otherwise entitle them to retirement benefits under the County's 1937 Act Retirement Plan or the Social Security Act and is in compliance with the Omnibus Budget Reconciliation Act of 1990. Part C, the "Golden Handshake" Plan, provides early retirement benefits to County employees pursuant to periodic early retirement incentive programs adopted by the County and is a tax qualified pension plan under Internal Revenue Code Section 401(a). Eligible employees are vested upon enrollment. Part D, the Elected Department Head benefit, became part of SRP in April 2001 and provides a supplemental retirement benefit to the County's elected department heads for retirement parity with appointed agency/department heads. Part D was amended on June 8, 2004 to limit eligible participants to those employees in an Elected Department Head position between December 1, 2000 and June 8, 2004.

The plan year of the SRP is the County's fiscal year. The actuarial covered payroll for all employees covered by SRP for the fiscal year ended June 30, 2004 was \$11,206,000 for Part B and \$926,000 for Part D based on the actuarial valuation report as of June 30, 2004.

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

Plan membership at June 30, 2004 was as follows:

| <u>Member Classification</u>                             | <u>Number of Members</u> |
|----------------------------------------------------------|--------------------------|
| Retirees and beneficiaries currently receiving benefits: |                          |
| Supplemental retirement members (Safe Harbor)            | 58                       |
| Early retirement members (Golden Handshake)              | 41                       |
| Elected department head members                          | 4                        |
| Current employees members:                               |                          |
| Supplemental retirement members (Safe Harbor)            | 489                      |
| Elected department head members                          | 6                        |
| Total                                                    | <u>598</u>               |

*(b) Basis of Accounting*

The accompanying financial statements were prepared on the accrual basis. Investment income is recognized when earned, and investment and administrative expenses are recorded when incurred. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and member refunds are recognized when due and payable in accordance with the terms of the Plan.

*(c) Benefits*

Under Safe Harbor, a participant's monthly benefit or lump sum benefit is based on the total amount of compensation for the period of the participant's benefit accrual service for the last 30 years of participation. The participant is entitled to the benefit at age 65, or the termination of employment, whichever is later. The benefit will be payable as a single life annuity or if the actuarial present value of the accrued benefit is not more than \$5,000, in lieu of the monthly benefit, a one-time lump sum amount will be paid. If the participant dies before retirement benefits begin, the participant's beneficiary will be entitled to receive a lump-sum death benefit payment.

Under Golden Handshake, the benefit is a monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the participant's surviving spouse, if any, for life.

The Elected Department Head benefit is a supplemental monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the surviving spouse for life, depending on the retirement payment option selected.

*(d) Actuarially Determined Contribution Requirement*

The funding policy provides for periodic employer and employee contributions at actuarially determined rates expressed as percentages of annual covered payroll that are sufficient to accumulate the required assets to pay benefits when due. The actuarial cost method for Parts B and C is the traditional Unit Credit Cost method and for Part D, the Entry Age Normal method. The actuarial value of assets is fair value. The amortization method for Parts B and C is Level Dollar and for Part D is Level Percentage of Pay. The remaining amortization period is 10 years (rolling).

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

The current assumptions for funding purposes are based on the actuarial valuation report as of June 30, 2004.

|                                         | <u>Assumptions</u>                             |
|-----------------------------------------|------------------------------------------------|
| • Assumed rate of investment earnings   | 8%                                             |
| • Assumed Group Annuity Mortality Table | CalPers (Plan B)<br>1983 Group (Plans C and D) |
| • Salary projection rate                | 4%                                             |
| • Inflation rate                        | 3%                                             |
| • Cost of living                        | 0-3%                                           |

*(e) Contributions*

Contribution information for the three plans in SRP is as follows:

- Safe Harbor: Each participant contributes three percent of compensation to the plan on a pre-tax basis. Employee contributions cease upon attainment of 30 years of Benefit Accrual Service. The balance of member contributions at fair value on deposit at June 30, 2004 was \$4,736,000. Employer contributions for fiscal year 2003-04 totaled \$379,000, including an accrual of the net pension obligation at June 30, 2004 of \$245,000. Employee contributions were \$296,000 (or 2.64 percent of covered payroll) for fiscal year 2003-04.
- Golden Handshake: This benefit is funded by employer contributions amounting to \$36,000 in 2003-04.
- Elected Department Heads: The benefit is funded by employer contributions amounting to \$175,000 in 2003-04, including an accrual of the net pension obligation of \$27,000.

The balance of employer contributions for SRP at fair value on June 30, 2004 was \$2,596,000 for all parts. Employer contributions were \$128,000 in fiscal years 2001-02, \$117,000 in fiscal year 2002-03, and \$590,000 in fiscal year 2003-04, including an accrual for the net pension obligation of \$294,000 for Parts B, C, and D. These contributions represent 109 percent for fiscal year 2001-02, 79 percent for fiscal year 2002-03 and 138.5 percent for fiscal year 2003-04. The annual required contribution equals normal cost minus expected employee contributions as applicable plus 10 years amortization of the unfunded actuarial accrued liability. The Schedule of Funding Progress and Schedule of Employer Contributions are included in Required Supplementary Information.

The fair value of the SRP investment portfolio increased in fiscal year 2003-04 by \$953,000. Total deductions of \$506,000 are due to benefit payments and administrative costs.

*(f) Administrative Expenses*

The costs of administration of the Plan shall be paid from the Plan, as long as the expenses are considered reasonable by the Plan Administrator. Such expenses shall include, but are not limited to, expenses for professional, legal, accounting, actuarial, and investment services. Administrative expenses for fiscal year 2003-04 totaled \$152,000.

**Management Retiree Health Payment**

On June 8, 1999, the Board adopted a new benefit for management employees. Employees who retired after July 1, 1999 became eligible to receive one year of payments for five years of service, up to a maximum of

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

five years of coverage. Payments of approximately \$341 per month were equivalent to premiums for the Ventura County Health Care Plan. Total payments in fiscal year 2003-04 were \$586,000. Estimated total payments for fiscal year 2004-05 are \$721,000. The payments do not constitute any guarantee of medical care benefits.

**NOTE 13 - TAX AND REVENUE ANTICIPATION NOTES PAYABLE**

On July 1, 2003, the County issued \$105,000,000 in Tax and Revenue Anticipation Notes (Notes) at a 1.50 percent interest rate, priced to yield 0.90 percent, to meet current year cash flow requirements for operational needs. At June 30, 2004, the outstanding principal was \$105,000,000. Principal and interest for fiscal year 2003-04 was paid on July 1, 2004, the maturity date of these notes.

The Notes, in accordance with California law, are general obligations of the County and are payable from fiscal year 2003-04 taxes and other revenues, which are legally available for payment thereof.

The summary of the notes transactions for the fiscal year ended June 30, 2004 is as follows (in thousands):

| Beginning<br>Balance<br>June 30, 2003 | Additions | Reductions | Ending<br>Balance<br>June 30, 2004 | Due<br>Within<br>One Year |
|---------------------------------------|-----------|------------|------------------------------------|---------------------------|
| \$105,000                             | \$105,000 | \$105,000  | \$105,000                          | \$105,000                 |

**NOTE 14 – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; hospital liability (malpractice); errors and omissions; theft of, damage to, and destruction of assets; and natural disasters for which the government is either self-insured, commercially insured, or a combination of both.

The Human Resources Department acquired commercial insurance for primary group medical and long-term disability insurance. Unemployment insurance benefits are self-insured and administered by the Human Resources Department within the Employee Benefits Insurance Internal Service Fund. Professional Firefighters and Deputy Sheriffs Associations also administer commercial group medical insurance plans available for their members.

The Ventura County Health Care Plan (VCHCP), administered by the Health Care Agency, provides a County self-insured medical plan for County employees. In addition, a separate self-insured plan is offered to certain other County employees and to related clinic employees through their employers. A state Healthy Families plan is also available from VCHCP. Excess commercial coverage is also purchased for VCHCP.

The Risk Management Department within the General Insurance Internal Service Fund administers the commercial and self-insurance aspects of the County's casualty risk programs. General liability is self-insured to \$500,000 per occurrence, thereafter, covered by excess commercial liability insurance to \$20 million per occurrence, then self-insured to an unlimited amount. Medical malpractice liability insurance provides deductibles of \$100,000 per claim and provides liability coverage up to \$50 million per incident. Medical malpractice tail coverage is self-insured. In March 2004, the County participated in the BETA Healthcare Group, a joint powers authority, for the purpose of purchasing medical malpractice insurance. This risk-sharing pool program, established as a cost effective alternative to the commercial insurance market,

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

is structured like a traditional insurer in that members are not assessed for excess pool losses. Coverage was renewed in July 2004. Workers' compensation occurrences are self-insured effective July 1, 2002 with coverage for all employees. The tail liability is covered by the prior commercial insurer up to \$22,800,000. There were no claims settlements that have exceeded insurance coverages during the past three fiscal years.

As described in Note 2 - Deficit Net Assets/ Fund Balance, the General Insurance internal service fund had deficit net assets of \$4,278,000. The workers' compensation component, in its second year of self-insured operation, accounted for \$9,941,000 of the deficit, increasing by \$3,997,000 from the prior year, as a result of a steep growth in the actuarially calculated reserves. The hazardous materials and general liability components had positive net assets. The County implemented a five-year plan to eliminate the workers' compensation deficit through increased rates beginning in fiscal year 2004-05.

The unpaid claims liabilities included in the self-insurance fund are based on actuarial studies and include amounts for claims incurred but not reported. Beginning with fiscal year 1994-95, the General Insurance liabilities were discounted at 5.5 percent. The revenue received, including interest, and contribution funded liabilities, and net assets are sufficient to meet liabilities as they come due.

Changes in the balances of claims liabilities of General Insurance and Employee Benefits Internal Service Funds and Health Care Plan Enterprise Fund during fiscal years 2002-03 and 2003-04 are as follows (in thousands):

|                                     | Fiscal Year      |                  |
|-------------------------------------|------------------|------------------|
|                                     | 2002-03          | 2003-04          |
| Accrued insurance losses, beginning | \$ 19,955        | \$ 42,118        |
| Incurred losses                     | 41,168           | 46,871           |
| Claim payments                      | (19,005)         | (24,297)         |
| Accrued insurance losses, ending    | <u>\$ 42,118</u> | <u>\$ 64,692</u> |

## NOTE 15 – CONTINGENCIES

### **Audit of Handicapped and Disabled Students Claim**

The State Controller's Office audited claims filed for providing mental health services to children under the SB 90 Mandated Costs Reimbursement Program for Fiscal Years 1998-99 and 1999-2000. The County will continue to appeal the remaining \$671,000 in disallowances with a possible revenue offset of \$525,000. The issues are medicine monitoring, crisis intervention and assessment, and treatment costs not specifically itemized in the claim's parameters and guidelines.

The audit for the period of July 1, 2000 through June 30, 2003 was concluded, and a draft report was issued in November 2004 with a finding of unallowable costs of \$1,650,000. The County intends to contest some of the findings. Management believes that costs ultimately disallowed, if any, will not materially affect the financial condition of the County.

### **Public Safety Litigation**

On July 16, 2003, the District Attorney and Sheriff filed a lawsuit against the County Board of Supervisors (Board) alleging the Board underfunded their departments in violation of the Public Safety Ordinance 4088 when the Board interpreted the funding formula of the ordinance linking growth in General Fund funding to

COUNTY OF VENTURA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

the Consumer Price Index in March 2001. Subsequently, the Board filed a cross complaint, challenging the constitutionality of the funding law. In 2004, the Superior Court denied County's summary adjudication motion on the ordinance's constitutionality. Both Court of Appeals and the California Supreme Court subsequently declined to review the Superior Court's denial of the motion on an expedited basis. Several options are under consideration. Trial of the petitioners' claims has been scheduled for June 20, 2005. Even in the event the petitioners are successful, the result would be a reallocation of County resources, rather than the payment of damages.

**Ventura County Employees' Retirement Association (VCERA)**

On July 1, 2003, a lawsuit was filed against VCERA by George Mathews, individually and, as subsequently ordered by the court, as a class representative for all past, present, or future members of the VCERA, claiming that the VCERA Board of Trustees (Retirement Board) had a fiduciary duty to use the excess earnings of the retirement system to provide additional benefits and not to reduce the County's annual employer contributions. The County has intervened and intends to vigorously defend VCERA's and County's treatment of excess earnings at trial, which is set for March 15, 2005.

**Grants**

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain federal and state programs it administers. The County's grant programs have been audited through June 30, 2004 under the requirements of the Single Audit Act and OMB Circular A-133. Such programs are generally subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant or in reductions of future grant monies. A designation for contingencies in the amount of \$8,495,000 is set up in the General Fund for this possibility. Based upon prior experience, management believes that grant costs ultimately disallowed, if any, would not materially affect the financial condition of the County.

**Other**

Legal proceedings normally occur related to construction projects and are subject to agreement by arbitration. Claims are negotiated by the County of Ventura. In the opinion of management, current claims are not likely to have a material adverse impact on the County financial statements and accordingly no provision for losses has been recorded.

**NOTE 16 – SUBSEQUENT EVENTS**

**Tax and Revenue Anticipation Notes**

On July 1, 2004, the County issued \$145,000,000 of 3.00 percent fixed-rate, priced to yield 1.60 percent, tax and revenue anticipation notes. The notes received SP-1+ and MIG1 ratings from Standard and Poor's Corporation and Moody's Investors Services, respectively. Proceeds from the notes will be used to meet fiscal year 2004-05 expenditures including capital expenditures and the discharge of other obligations of the County. The maturity date of the notes is July 1, 2005.

**State Audits**

In August 2004, Senate Bill 1096 was approved and chaptered. As a result, the apportionments made by the County Auditor between July 1, 1993 and June 30, 2001 are deemed correct, notwithstanding an audit finding requiring adjustment of the allocation method. Therefore, the County is not liable for the payment of \$6,960,000 pursuant to the State Controller's audit in fiscal year 1999-2000.

REQUIRED  
SUPPLEMENTARY  
INFORMATION  
(OTHER THAN MD & A)  
(UNAUDITED)





COUNTY OF VENTURA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

**SUPPLEMENTAL RETIREMENT PLAN**

Schedule of Funding Progress  
(In Thousands)

| (1) | Fiscal<br>Year<br>Ending<br>June 30 | Actuarial<br>Valuation | Actuarial<br>Value of<br>Assets (a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age (b) | Unfunded<br>(Funding<br>Excess)<br>AAL (b- a) | Funded<br>Ratio (a/b) | Annual<br>Covered<br>Payroll (c) | Unfunded<br>(Funding Excess)<br>AAL as a Percentage<br>of Covered Payroll<br>((b-a)/c) |
|-----|-------------------------------------|------------------------|-------------------------------------|-------------------------------------------------------------|-----------------------------------------------|-----------------------|----------------------------------|----------------------------------------------------------------------------------------|
| B   | 2002                                | 6/30/2002              | \$ 5,876                            | \$ 6,622                                                    | \$ 746                                        | 89%                   | \$ 9,805                         | 7.61%                                                                                  |
| B   | 2003                                | 6/30/2003              | \$ 6,026                            | \$ 7,398                                                    | \$ 1,372                                      | 81%                   | \$ 10,197                        | 13.45%                                                                                 |
| B   | 2004                                | 6/30/2004              | \$ 7,041                            | \$ 8,036                                                    | \$ 995                                        | 88%                   | \$ 11,206                        | 8.88%                                                                                  |
| C   | 2002                                | 6/30/2002              | \$ 568                              | \$ 672                                                      | \$ 104                                        | 85%                   | N/A                              | N/A                                                                                    |
| C   | 2003                                | 6/30/2003              | \$ 501                              | \$ 658                                                      | \$ 157                                        | 76%                   | N/A                              | N/A                                                                                    |
| C   | 2004                                | 6/30/2004              | \$ 427                              | \$ 676                                                      | \$ 249                                        | 63%                   | N/A                              | N/A                                                                                    |
| D   | 2002                                | 6/30/2002              | \$ 251                              | \$ 1,395                                                    | \$ 1,144                                      | 18%                   | \$ 919                           | 124.48%                                                                                |
| D   | 2003                                | 6/30/2003              | \$ 306                              | \$ 1,458                                                    | \$ 1,152                                      | 21%                   | \$ 956                           | 120.50%                                                                                |
| D   | 2004                                | 6/30/2004              | \$ 412                              | \$ 1,550                                                    | \$ 1,138                                      | 27%                   | \$ 926                           | 122.89%                                                                                |

Schedule of Employer Contributions  
(In Thousands)

| (1) | Fiscal<br>Year<br>Ending<br>June 30 | Actuarial<br>Valuation<br>Date | Annual<br>Required<br>Contribution | Actual<br>Contribution | Interest on<br>Net Pension<br>Obligation | Adjustment<br>to Annual<br>Required<br>Contribution | Annual<br>Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|-----|-------------------------------------|--------------------------------|------------------------------------|------------------------|------------------------------------------|-----------------------------------------------------|---------------------------------|-------------------------------------|------------------------------|
| B   | 2002                                | 6/30/2002                      | \$ -                               | \$ -                   | \$ -                                     | \$ -                                                | \$ -                            | N/A                                 | \$ -                         |
| B   | 2003                                | 6/30/2003                      | \$ 139                             | \$ -                   | \$ -                                     | \$ -                                                | \$ 139                          | 0%                                  | \$ 139                       |
| B   | 2004                                | 6/30/2004                      | \$ 248                             | \$ 134                 | \$ 11                                    | \$ 19                                               | \$ 240                          | 54%                                 | \$ 245 (2)                   |
| C   | 2002                                | 6/30/2002                      | \$ -                               | \$ -                   | \$ -                                     | \$ -                                                | \$ -                            | N/A                                 | \$ -                         |
| C   | 2003                                | 6/30/2003                      | \$ 14                              | \$ -                   | \$ -                                     | \$ -                                                | \$ 14                           | 0%                                  | \$ 14                        |
| C   | 2004                                | 6/30/2004                      | \$ 23                              | \$ 14                  | \$ 1                                     | \$ 2                                                | \$ 22                           | 61%                                 | \$ 22 (2)                    |
| D   | 2002                                | 6/30/2002                      | \$ 117                             | \$ 128                 | \$ -                                     | \$ -                                                | \$ 117                          | 109%                                | \$ (11)                      |
| D   | 2003                                | 6/30/2003                      | \$ 148                             | \$ 117                 | \$ (1)                                   | \$ (1)                                              | \$ 148                          | 79%                                 | \$ 20                        |
| D   | 2004                                | 6/30/2004                      | \$ 155                             | \$ 148                 | \$ 2                                     | \$ 2                                                | \$ 155                          | 95%                                 | \$ 27 (2)                    |

(1) Part B (Safe Harbor), Part C (Golden Handshake), Part D (Elected Department Head)

(2) Accrued in SRP fiduciary fund and governmental activities.

See accompanying independent auditors' report

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COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                                           | TOTAL GENERAL FUND |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------------------------------------------------------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                                           | Original<br>Budget | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                                               |                    |                 |                  |                                                         |
| Taxes                                                                                                     | \$ 133,896         | \$ 133,896      | \$ 138,229       | \$ 4,333                                                |
| Licenses, permits, and franchises                                                                         | 13,026             | 13,226          | 14,753           | 1,527                                                   |
| Fines, forfeitures, and penalties                                                                         | 15,216             | 16,334          | 14,160           | (2,174)                                                 |
| Revenue from use of money and property                                                                    | 4,770              | 4,790           | 2,288            | (2,502)                                                 |
| Aid from other governmental units                                                                         | 358,282            | 376,708         | 351,688          | (25,020)                                                |
| Charges for services                                                                                      | 108,169            | 110,453         | 107,510          | (2,943)                                                 |
| Other                                                                                                     | 23,653             | 25,066          | 22,434           | (2,632)                                                 |
| Amount available for appropriation                                                                        | 657,012            | 680,473         | 651,062          | (29,411)                                                |
| <b>Charges to appropriations (outflows):</b>                                                              |                    |                 |                  |                                                         |
| General government:                                                                                       |                    |                 |                  |                                                         |
| Salaries and benefits                                                                                     | 38,208             | 32,545          | 27,749           | 4,796                                                   |
| Services and supplies                                                                                     | 43,895             | 41,320          | 22,872           | 18,448                                                  |
| Other charges                                                                                             | 12,880             | 22,649          | 22,606           | 43                                                      |
| Contingencies                                                                                             | 2,000              | 305             | -                | 305                                                     |
| Total general government                                                                                  | 96,983             | 96,819          | 73,227           | 23,592                                                  |
| Public protection:                                                                                        |                    |                 |                  |                                                         |
| Salaries and benefits                                                                                     | 206,518            | 217,288         | 213,165          | 4,123                                                   |
| Services and supplies                                                                                     | 72,668             | 77,320          | 69,606           | 7,714                                                   |
| Other charges                                                                                             | 17,775             | 20,159          | 18,687           | 1,472                                                   |
| Total public protection                                                                                   | 296,961            | 314,767         | 301,458          | 13,309                                                  |
| Health and sanitation services:                                                                           |                    |                 |                  |                                                         |
| Salaries and benefits                                                                                     | 63,332             | 62,577          | 59,586           | 2,991                                                   |
| Services and supplies                                                                                     | 39,047             | 41,101          | 37,158           | 3,943                                                   |
| Other charges                                                                                             | 2,139              | 2,794           | 2,794            | -                                                       |
| Total health and sanitation services                                                                      | 104,518            | 106,472         | 99,538           | 6,934                                                   |
| Public assistance:                                                                                        |                    |                 |                  |                                                         |
| Salaries and benefits                                                                                     | 57,379             | 59,586          | 56,615           | 2,971                                                   |
| Services and supplies                                                                                     | 35,670             | 37,874          | 37,371           | 503                                                     |
| Other charges                                                                                             | 58,428             | 59,888          | 59,885           | 3                                                       |
| Total public assistance                                                                                   | 151,477            | 157,348         | 153,871          | 3,477                                                   |
| Education:                                                                                                |                    |                 |                  |                                                         |
| Salaries and benefits                                                                                     | 432                | 424             | 399              | 25                                                      |
| Services and supplies                                                                                     | 183                | 193             | 187              | 6                                                       |
| Total education                                                                                           | 615                | 617             | 586              | 31                                                      |
| Capital outlay                                                                                            | 7,655              | 23,461          | 9,765            | 13,696                                                  |
| Debt service:                                                                                             |                    |                 |                  |                                                         |
| Principal retirement                                                                                      | 7,139              | 949             | 675              | 274                                                     |
| Interest and fiscal charges                                                                               | 4,353              | 2,852           | 1,585            | 1,267                                                   |
| Total charges to appropriation                                                                            | 669,701            | 703,285         | 640,705          | 62,580                                                  |
| Excess (deficiency) of revenues over expenditures                                                         | (12,689)           | (22,812)        | 10,357           | 33,169                                                  |
| Other financing sources (uses):                                                                           |                    |                 |                  |                                                         |
| Proceeds from debt                                                                                        | 5,258              | 18,772          | -                | (18,772)                                                |
| Transfers in                                                                                              | 14,090             | 22,879          | 22,890           | 11                                                      |
| Transfers out                                                                                             | (32,361)           | (42,010)        | (39,745)         | 2,265                                                   |
| Total other financing sources (uses)                                                                      | (13,013)           | (359)           | (16,855)         | (16,496)                                                |
| Excess (deficiency) of revenues and other financing<br>sources over expenditures and other financing uses | (25,702)           | (23,171)        | (6,498)          | 16,673                                                  |
| <b>Fund balances - beginning</b>                                                                          | 119,550            | 119,550         | 119,550          | -                                                       |
| <b>Fund balances - ending</b>                                                                             | \$ 93,848          | \$ 96,379       | \$ 113,052       | \$ 16,673                                               |

See accompanying independent auditors' report

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
ROADS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | ROADS              |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                    |                 |                  |                                                         |
| Taxes                                                                              | \$ 1,676           | \$ 1,676        | \$ 1,916         | \$ 240                                                  |
| Licenses, permits, and franchises                                                  | 180                | 180             | 222              | 42                                                      |
| Fines, forfeitures, and penalties                                                  | 225                | 225             | 313              | 88                                                      |
| Revenue from use of money and property                                             | 418                | 418             | 486              | 68                                                      |
| Aid from other governmental units                                                  | 38,916             | 38,916          | 21,221           | (17,695)                                                |
| Other                                                                              | 190                | 190             | 287              | 97                                                      |
| Amount available for appropriation                                                 | 41,605             | 41,605          | 24,445           | (17,160)                                                |
| <b>Charges to appropriations (outflows):</b>                                       |                    |                 |                  |                                                         |
| Public ways and facilities                                                         |                    |                 |                  |                                                         |
| Services and supplies                                                              | 58,932             | 50,108          | 13,618           | 36,490                                                  |
| Other charges                                                                      | 3,552              | 3,552           | 2,054            | 1,498                                                   |
| Contingencies                                                                      | 4,287              | 3,413           | -                | 3,413                                                   |
| Total public ways and facilities                                                   | 66,771             | 57,073          | 15,672           | 41,401                                                  |
| Capital outlay                                                                     | 269                | 9,483           | 9,483            | -                                                       |
| Total charges to appropriation                                                     | 67,040             | 66,556          | 25,155           | 41,401                                                  |
| Excess (deficiency) of revenues over expenditures                                  | (25,435)           | (24,951)        | (710)            | 24,241                                                  |
| Other financing sources (uses):                                                    |                    |                 |                  |                                                         |
| Transfers out                                                                      | (387)              | (453)           | (453)            | -                                                       |
| Total financing sources (uses)                                                     | (387)              | (453)           | (453)            | -                                                       |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (25,822)           | (25,404)        | (1,163)          | 24,241                                                  |
| <b>Fund balances - beginning</b>                                                   | 44,635             | 44,635          | 44,635           | -                                                       |
| <b>Fund balances - ending</b>                                                      | \$ 18,813          | \$ 19,231       | \$ 43,472        | \$ 24,241                                               |

See accompanying independent auditors' report

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
WATERSHED PROTECTION DISTRICTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | WATERSHED PROTECTION DISTRICTS |                  |                  | Variance with                          |
|------------------------------------------------------------------------------------|--------------------------------|------------------|------------------|----------------------------------------|
|                                                                                    | Original<br>Budget             | Final<br>Budget  | Actual<br>Amount | Final Budget<br>Positive<br>(Negative) |
| <b>Resources (inflows):</b>                                                        |                                |                  |                  |                                        |
| Taxes                                                                              | \$ 10,760                      | \$ 10,760        | \$ 11,899        | \$ 1,139                               |
| Licenses, permits, and franchises                                                  | 66                             | 66               | 176              | 110                                    |
| Fines, forfeitures, and penalties                                                  | 70                             | 70               | 69               | (1)                                    |
| Revenue from use of money and property                                             | 1,479                          | 1,479            | 1,912            | 433                                    |
| Aid from other governmental units                                                  | 3,168                          | 3,191            | 3,231            | 40                                     |
| Charges for services                                                               | 11,185                         | 11,337           | 12,102           | 765                                    |
| Other                                                                              | 10                             | 10               | 670              | 660                                    |
| Amount available for appropriation                                                 | <u>26,738</u>                  | <u>26,913</u>    | <u>30,059</u>    | <u>3,146</u>                           |
| <b>Charges to appropriations (outflows):</b>                                       |                                |                  |                  |                                        |
| Public protection                                                                  |                                |                  |                  |                                        |
| Services and supplies                                                              | 70,613                         | 61,133           | 17,096           | 44,037                                 |
| Other charges                                                                      | 1,960                          | 1,960            | 35               | 1,925                                  |
| Contingencies                                                                      | 3,894                          | 9,473            | -                | 9,473                                  |
| Total public protection                                                            | <u>76,467</u>                  | <u>72,566</u>    | <u>17,131</u>    | <u>55,435</u>                          |
| Capital outlay                                                                     | <u>172</u>                     | <u>9,827</u>     | <u>9,757</u>     | <u>70</u>                              |
| Total charges to appropriation                                                     | <u>76,639</u>                  | <u>82,393</u>    | <u>26,888</u>    | <u>55,505</u>                          |
| Excess (deficiency) of revenues over expenditures                                  | <u>(49,901)</u>                | <u>(55,480)</u>  | <u>3,171</u>     | <u>58,651</u>                          |
| Other financing sources (uses):                                                    |                                |                  |                  |                                        |
| Proceeds from sale of capital assets                                               | 1,211                          | 1,211            | 8,759            | 7,548                                  |
| Transfers in                                                                       | 80                             | 80               | -                | (80)                                   |
| Transfers out                                                                      | <u>(164)</u>                   | <u>(164)</u>     | <u>(48)</u>      | <u>116</u>                             |
| Total financing sources (uses)                                                     | <u>1,127</u>                   | <u>1,127</u>     | <u>8,711</u>     | <u>7,584</u>                           |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(48,774)</u>                | <u>(54,353)</u>  | <u>11,882</u>    | <u>66,235</u>                          |
| <b>Fund balances - beginning</b>                                                   | <u>83,928</u>                  | <u>83,928</u>    | <u>83,928</u>    | <u>-</u>                               |
| <b>Fund balances - ending</b>                                                      | <u>\$ 35,154</u>               | <u>\$ 29,575</u> | <u>\$ 95,810</u> | <u>\$ 66,235</u>                       |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
FIRE PROTECTION DISTRICT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | FIRE PROTECTION DISTRICT |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|--------------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget       | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                          |                 |                  |                                                         |
| Taxes                                                                              | \$ 69,765                | \$ 99,591       | \$ 101,572       | \$ 1,981                                                |
| Licenses, permits, and franchises                                                  | 625                      | 625             | 794              | 169                                                     |
| Fines, forfeitures, and penalties                                                  | 66                       | 66              | 54               | (12)                                                    |
| Revenue from use of money and property                                             | 400                      | 700             | 537              | (163)                                                   |
| Aid from other governmental units                                                  | 7,323                    | 8,566           | 9,405            | 839                                                     |
| Charges for services                                                               | 745                      | 867             | 667              | (200)                                                   |
| Other                                                                              | 2,429                    | 3,550           | 7,242            | 3,692                                                   |
| Amount available for appropriation                                                 | 81,353                   | 113,965         | 120,271          | 6,306                                                   |
| <b>Charges to appropriations (outflows):</b>                                       |                          |                 |                  |                                                         |
| Public protection                                                                  |                          |                 |                  |                                                         |
| Salaries and benefits                                                              | 65,103                   | 69,848          | 69,237           | 611                                                     |
| Services and supplies                                                              | 12,478                   | 14,218          | 12,725           | 1,493                                                   |
| Contingencies                                                                      | 750                      | 750             | -                | 750                                                     |
| Total public protection                                                            | 78,331                   | 84,816          | 81,962           | 2,854                                                   |
| Capital outlay                                                                     | 11,472                   | 47,586          | 11,875           | 35,711                                                  |
| Debt service:                                                                      |                          |                 |                  |                                                         |
| Principal retirement                                                               | 478                      | 496             | 496              | -                                                       |
| Interest and fiscal charges                                                        | 187                      | 90              | 39               | 51                                                      |
| Total charges to appropriation                                                     | 90,468                   | 132,988         | 94,372           | 38,616                                                  |
| Excess (deficiency) of revenues over expenditures                                  | (9,115)                  | (19,023)        | 25,899           | 44,922                                                  |
| Other financing sources (uses):                                                    |                          |                 |                  |                                                         |
| Proceeds from sale of capital assets                                               | 500                      | 500             | 215              | (285)                                                   |
| Transfers out                                                                      | (250)                    | (250)           | (250)            | -                                                       |
| Total financing sources (uses)                                                     | 250                      | 250             | (35)             | (285)                                                   |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (8,865)                  | (18,773)        | 25,864           | 44,637                                                  |
| <b>Fund balances - beginning</b>                                                   | 26,474                   | 26,474          | 26,474           | -                                                       |
| <b>Fund balances - ending</b>                                                      | \$ 17,609                | \$ 7,701        | \$ 52,338        | \$ 44,637                                               |

See accompanying independent auditors' report

COUNTY OF VENTURA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

*Budgetary Adoption*

The County is legally required to adopt a balanced annual budget for the General Fund, special revenue funds, the permanent fund, and the debt service and capital projects funds of the Watershed Protection Districts, Pension Obligation Bonds, Redevelopment Agency Piru Project, Juvenile Justice Complex, and the Juvenile Justice Complex Courthouse. The County adheres to provisions of the California Government Code Sections 29000 through 29144, known as The County Budget Act. Annually, the Board conducts a public hearing for discussion of the proposed budget. At the conclusion of the hearing, and no later than August 30, the Board adopts the final budget including revisions by resolution. A Final Budget book is published.

*Budgetary Comparisons*

GASB 34 requires a budgetary comparison for the major governmental funds from the funds financial statements. The County has elected to present this information as Required Supplementary Information. Analysis of the General Fund budget is included in Management's Discussion and Analysis.

The comparisons required are between original budget and final budget and between final budget and actual on a budgetary basis. The "original budget" includes the original approved budget (published as the Final Budget) plus appropriations for prior year approved roll-over encumbrances. The "final budget" is the budget as Board approved at the end of the fiscal year. The "actual on a budgetary basis" includes the actual revenues and expenditures as presented in the budget and as adjusted for the Comprehensive Annual Financial Report.

The primary changes are as follows:

- For budgetary purposes, inventory items are recognized as expenditures when purchased. Under accounting principles generally accepted in the United States of America (GAAP), inventories at year-end are recorded as an asset.
- For budgetary purposes, changes in the fair value of investments are not recognized as increases or decreases to revenue. Under GAAP such changes are recognized as increases or decreases to revenue.
- For budgetary purposes, the County agency fund amounts planned by departments for use during the fiscal year were recognized as revenue. Under GAAP and GASB 33 and 34, all County agency funds must be included within the related County fund as revenue, deferred revenue, or liability.

The following schedule is a reconciliation for major funds of the differences between fund balances on the actual on a budgetary basis and GAAP basis fund balances (in thousands):

|                                             | General<br>Fund | SPECIAL REVENUE FUNDS |                                      |                                |
|---------------------------------------------|-----------------|-----------------------|--------------------------------------|--------------------------------|
|                                             |                 | Roads                 | Watershed<br>Protection<br>Districts | Fire<br>Protection<br>District |
| Fund Balances - Actual on a budgetary basis | \$ 113,052      | \$ 43,472             | \$ 95,810                            | \$ 52,338                      |
| Adjustments:                                |                 |                       |                                      |                                |
| Change in reserve for inventories           | (24)            | -                     | -                                    | (243)                          |
| Change in fair value of investments         | (2,505)         | (274)                 | (794)                                | (330)                          |
| Addition of trust funds                     | 2,801           | 1,942                 | (655)                                | (889)                          |
| Total adjustments                           | 272             | 1,668                 | (1,449)                              | (1,462)                        |
| Fund balances - GAAP basis                  | \$ 113,324      | \$ 45,140             | \$ 94,361                            | \$ 50,876                      |

COUNTY OF VENTURA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

***Supplemental Appropriations***

The Board may approve supplemental appropriations during the year if revenues are received from unanticipated sources or from anticipated sources, but in excess of estimates thereof. Transfers of appropriations between budget units/departments must also be approved by the Board.

Supplemental appropriations for those funds for which the County is legally required to adopt an annual budget approximated \$102,654,000 for fiscal year ended June 30, 2004.

***Level of Budgetary Control***

County expenditures are controlled at the object level (salaries and benefits, services and supplies, other charges, and other financing uses) and sub-object level (capital assets) within budget units/departments for the County. The object level is the level at which expenditures may not legally exceed appropriations. Any transfer of appropriations between object levels within the same budget unit is delegated by the Board to the County Executive Officer.

The County is legally required to adopt an annual budget including over 90 budget units/departments in over 30 funds. Because of this large volume of detail, a separate Departmental Budget Report of Revenues and Expenditures – Budget and Actual on a Budgetary Basis has been prepared at the budget unit/department, function, and object level for those funds for which the County is legally required to adopt an annual budget. After approved year-end and post-closing adjustments, there are no departments exceeding appropriations at the object level. The budgetary document is available to the general public in the Auditor-Controller's Office.

***Encumbrances***

The County requires use of an encumbrance system as an extension of normal budgetary accounting to assist all funds in controlling expenditures. Under this system, purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance in the governmental funds. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

# SUPPLEMENTARY INFORMATION





# NONMAJOR GOVERNMENTAL FUNDS





COUNTY OF VENTURA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2004  
(In Thousands)

|                                     | Total<br>Non-Major<br>Governmental<br>Funds | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Capital<br>Projects<br>Funds | George D.<br>Lyon<br>Permanent<br>Fund |
|-------------------------------------|---------------------------------------------|-----------------------------|--------------------------|------------------------------|----------------------------------------|
| <b>ASSETS</b>                       |                                             |                             |                          |                              |                                        |
| Cash and investments                | \$ 32,523                                   | \$ 12,892                   | \$ 16,442                | \$ 2,066                     | \$ 1,123                               |
| Receivables, net                    | 3,708                                       | 3,594                       | 88                       | 23                           | 3                                      |
| Due from other funds                | 1,401                                       | 1,120                       | -                        | 280                          | 1                                      |
| Inventories and other assets        | 13                                          | 13                          | -                        | -                            | -                                      |
| Loans receivable                    | 966                                         | 966                         | -                        | -                            | -                                      |
| Advances to other funds             | 80                                          | -                           | 80                       | -                            | -                                      |
| Total assets                        | <u>\$ 38,691</u>                            | <u>\$ 18,585</u>            | <u>\$ 16,610</u>         | <u>\$ 2,369</u>              | <u>\$ 1,127</u>                        |
| <b>LIABILITIES</b>                  |                                             |                             |                          |                              |                                        |
| Accounts payable                    | \$ 3,071                                    | \$ 1,836                    | \$ -                     | \$ 1,235                     | \$ -                                   |
| Accrued liabilities                 | 2,135                                       | 2,135                       | -                        | -                            | -                                      |
| Due to other funds                  | 4,853                                       | 2,141                       | 20                       | 2,688                        | 4                                      |
| Deferred revenue                    | 625                                         | 625                         | -                        | -                            | -                                      |
| Total liabilities                   | <u>10,684</u>                               | <u>6,737</u>                | <u>20</u>                | <u>3,923</u>                 | <u>4</u>                               |
| <b>FUND BALANCES</b>                |                                             |                             |                          |                              |                                        |
| Reserved                            | 18,953                                      | 1,241                       | 16,590                   | -                            | 1,122                                  |
| Designated                          | 2,764                                       | 2,764                       | -                        | -                            | -                                      |
| Unreserved, reported in             |                                             |                             |                          |                              |                                        |
| Special revenue funds               | 7,843                                       | 7,843                       | -                        | -                            | -                                      |
| Capital projects funds              | (1,554)                                     | -                           | -                        | (1,554)                      | -                                      |
| Permanent funds                     | 1                                           | -                           | -                        | -                            | 1                                      |
| Total fund balances                 | <u>28,007</u>                               | <u>11,848</u>               | <u>16,590</u>            | <u>(1,554)</u>               | <u>1,123</u>                           |
| Total liabilities and fund balances | <u>\$ 38,691</u>                            | <u>\$ 18,585</u>            | <u>\$ 16,610</u>         | <u>\$ 2,369</u>              | <u>\$ 1,127</u>                        |

See accompanying independent auditors' report

COUNTY OF VENTURA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                              | Total<br>Non-Major<br>Governmental<br>Funds | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Capital<br>Projects<br>Funds | George D.<br>Lyon<br>Permanent<br>Fund |
|--------------------------------------------------------------|---------------------------------------------|-----------------------------|--------------------------|------------------------------|----------------------------------------|
| <b>Revenues:</b>                                             |                                             |                             |                          |                              |                                        |
| Taxes                                                        | \$ 7,497                                    | \$ 7,008                    | \$ 489                   | \$ -                         | \$ -                                   |
| Licenses, permits, and franchises                            | 379                                         | 379                         | -                        | -                            | -                                      |
| Fines, forfeitures, and penalties                            | 4                                           | 4                           | -                        | -                            | -                                      |
| Revenues from use of money and property                      | 714                                         | 362                         | 209                      | 135                          | 8                                      |
| Aid from other governmental units                            | 47,907                                      | 39,837                      | 13                       | 8,057                        | -                                      |
| Charges for current services                                 | 2,749                                       | 2,711                       | -                        | 38                           | -                                      |
| Other                                                        | 24,134                                      | 2,705                       | 20,762                   | 667                          | -                                      |
| Total revenues                                               | <u>83,384</u>                               | <u>53,006</u>               | <u>21,473</u>            | <u>8,897</u>                 | <u>8</u>                               |
| <b>Expenditures:</b>                                         |                                             |                             |                          |                              |                                        |
| Current:                                                     |                                             |                             |                          |                              |                                        |
| General government                                           | 563                                         | -                           | 85                       | 478                          | -                                      |
| Public protection                                            | 26,859                                      | 26,859                      | -                        | -                            | -                                      |
| Public ways and facilities                                   | 179                                         | 179                         | -                        | -                            | -                                      |
| Public assistance                                            | 19,366                                      | 19,366                      | -                        | -                            | -                                      |
| Education                                                    | 7,832                                       | 7,832                       | -                        | -                            | -                                      |
| Capital outlay                                               | 29,764                                      | 1,305                       | -                        | 28,459                       | -                                      |
| Debt service:                                                |                                             |                             |                          |                              |                                        |
| Principal retirement                                         | 38,471                                      | 26                          | 38,445                   | -                            | -                                      |
| Interest and fiscal charges                                  | 8,159                                       | 12                          | 8,147                    | -                            | -                                      |
| Total expenditures                                           | <u>131,193</u>                              | <u>55,579</u>               | <u>46,677</u>            | <u>28,937</u>                | <u>-</u>                               |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(47,809)</u>                             | <u>(2,573)</u>              | <u>(25,204)</u>          | <u>(20,040)</u>              | <u>8</u>                               |
| <b>Other financing sources (uses):</b>                       |                                             |                             |                          |                              |                                        |
| Proceeds from long-term debt                                 | 29,727                                      | -                           | 73                       | 29,654                       | -                                      |
| Transfers in                                                 | 41,900                                      | 2,596                       | 26,699                   | 12,605                       | -                                      |
| Transfers out                                                | <u>(31,727)</u>                             | <u>(419)</u>                | <u>(1,069)</u>           | <u>(30,222)</u>              | <u>(17)</u>                            |
| Total other financing sources (uses)                         | <u>39,900</u>                               | <u>2,177</u>                | <u>25,703</u>            | <u>12,037</u>                | <u>(17)</u>                            |
| <b>Net change in fund balances</b>                           | <b>(7,909)</b>                              | <b>(396)</b>                | <b>499</b>               | <b>(8,003)</b>               | <b>(9)</b>                             |
| Fund balances - beginning                                    | 35,934                                      | 12,262                      | 16,091                   | 6,449                        | 1,132                                  |
| Changes in reserve for inventory                             | <u>(18)</u>                                 | <u>(18)</u>                 | <u>-</u>                 | <u>-</u>                     | <u>-</u>                               |
| Fund balances (deficit) - ending                             | <u>\$ 28,007</u>                            | <u>\$ 11,848</u>            | <u>\$ 16,590</u>         | <u>\$ (1,554)</u>            | <u>\$ 1,123</u>                        |

See accompanying independent auditors' report

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## **NON-MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Non-major special revenue funds used by the County are listed below:

#### **COUNTY LIBRARY**

This fund accounts for the provision of library services in fifteen branches throughout the County, except in the City of Oxnard, City of Thousand Oaks, and Santa Paula School District, which provide their own library facilities. Support is derived principally from property taxes and includes donations from citizens groups and cities.

#### **H.U.D. GRANTS**

This fund is primarily used to account for federal grants from the Department of Housing and Urban Development for development of low and moderate income housing, rehabilitation and improvements of public facilities, and meeting conditions which pose a serious and immediate threat to health and welfare in the County.

#### **LOAN**

This fund is primarily used to account for federal and state funds from the Department of Commerce Economic Development Administration to provide assistance to entities that were impacted by the Northridge earthquake disaster and downsizing of the defense industry.

#### **FISH AND GAME**

This fund was established to receive the County's share of fines levied for violations of fish and game laws within its boundaries. Expenditures are made from time to time for purposes of improving the habitat for wildlife propagation and for incidental administrative matters.

#### **DOMESTIC VIOLENCE PROGRAM**

This program was established to provide services to victims of domestic violence and their children in accordance with state statute and to explore and determine ways of reducing incidences of domestic violence. The program is funded by a special surcharge levied on the issuance of all marriage licenses.

#### **ENVIRONMENTAL AND ENERGY RESOURCES DEPARTMENT**

Management for this fund (formerly the Solid Waste Fund) is responsible for the development and administration of local and countywide plans and the enforcement of County ordinances relative to solid waste matters. Funding is derived from aid from other government units, licenses, permits and franchises, and charges for services.

#### **COUNTY SERVICE AREAS**

County Service Areas account for lighting, street and road maintenance, ambulance service, recreation, and wastewater treatment facilities in specific geographic areas. Support is derived principally from property taxes and service charges in each service area.

(Continued)

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS (Continued)**

#### **WORKFORCE DEVELOPMENT**

This fund accounts for the provision of services to the public and private sectors, including the planning, operation, administration, and management of job training programs pursuant to the Job Training Partnership Act, the Job Training Reform Amendments of 1992, regulations of the U.S. Department of Labor, Family Economic Security Act, and the directions of the Governor of the State of California.

#### **SPAY/NEUTER PROGRAM**

This fund is used to account for the spay/neuter subvention program. The program provides Ventura County animal owners with financial assistance, using a voucher system, for altering dogs. The program is funded by forfeited spay/neuter deposit monies and animal license fees.

#### **INMATE WELFARE**

This fund was established pursuant to Section 4025 of the California Penal Code for the benefit, education, and welfare of inmates confined to County jail. It is funded by proceeds from the jail canteen, jail commissary, vocational programs, and telephone commissions.

#### **REDEVELOPMENT AGENCY PIRU PROJECT**

This fund was established to provide administrative, fiscal and other support services to the capital project, debt service and low and moderate housing funds of the Redevelopment Agency – Piru Project. Funding is provided by grants, unrestricted interest earnings and tax increment revenue for the low-moderate income housing set-aside.

#### **IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**

The Ventura County In-Home Supportive Services Public Authority (Public Authority) was established on July 23, 2002 to provide an employer of record for in-home supportive service providers, as required by Welfare and Institutions Code Section 12302.25. Federal, State, County, and realignment funds support the activities of the Public Authority.

#### **DEPARTMENT OF CHILD SUPPORT SERVICES**

This fund was established in July 2002, pursuant to Family Code Section 17304 which required the transfer of local child support programs from the District Attorney's Office to a newly created County department under the oversight of the State. Services, which include location, establishment and enforcement of orders for child and medical support, and paternity determination, are funded by federal and state reimbursements.

COUNTY OF VENTURA  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004  
(In Thousands)

|                                     | Total            | County<br>Library<br>Fund | H. U. D.<br>Grants<br>Fund | Loan<br>Fund    |
|-------------------------------------|------------------|---------------------------|----------------------------|-----------------|
| <b>ASSETS</b>                       |                  |                           |                            |                 |
| Cash and investments                | \$ 12,892        | \$ 4,653                  | \$ -                       | \$ 768          |
| Receivables, net                    | 3,594            | 494                       | 2                          | 77              |
| Due from other funds                | 1,120            | 97                        | -                          | 1               |
| Inventories and other assets        | 13               | -                         | -                          | -               |
| Loans receivable                    | 966              | -                         | 130                        | 836             |
| Total assets                        | <u>\$ 18,585</u> | <u>\$ 5,244</u>           | <u>\$ 132</u>              | <u>\$ 1,682</u> |
| <b>LIABILITIES</b>                  |                  |                           |                            |                 |
| Accounts payable                    | \$ 1,836         | \$ 112                    | \$ -                       | \$ 3            |
| Accrued liabilities                 | 2,135            | 172                       | -                          | -               |
| Due to other funds                  | 2,141            | 50                        | -                          | 13              |
| Deferred revenue                    | 625              | 494                       | 2                          | -               |
| Total liabilities                   | <u>6,737</u>     | <u>828</u>                | <u>2</u>                   | <u>16</u>       |
| <b>FUND BALANCES</b>                |                  |                           |                            |                 |
| Reserved                            | 1,241            | 207                       | 130                        | 836             |
| Designated                          | 2,764            | 260                       | -                          | -               |
| Unreserved, reported in             |                  |                           |                            |                 |
| Special revenue funds               | 7,843            | 3,949                     | -                          | 830             |
| Total fund balances                 | <u>11,848</u>    | <u>4,416</u>              | <u>130</u>                 | <u>1,666</u>    |
| Total liabilities and fund balances | <u>\$ 18,585</u> | <u>\$ 5,244</u>           | <u>\$ 132</u>              | <u>\$ 1,682</u> |

See accompanying independent auditors' report

COUNTY OF VENTURA  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004  
(In Thousands)

| Fish and<br>Game<br>Fund | Domestic<br>Violence<br>Program<br>Fund | Environmental<br>and Energy<br>Resources | County<br>Service<br>Areas | Workforce<br>Development<br>Fund |                                     |
|--------------------------|-----------------------------------------|------------------------------------------|----------------------------|----------------------------------|-------------------------------------|
| \$ 48                    | \$ 76                                   | \$ 1,011                                 | \$ 2,221                   | \$ 86                            | <b>ASSETS</b>                       |
| 2                        | 5                                       | 528                                      | 9                          | 466                              | Cash and investments                |
| -                        | -                                       | 1                                        | 10                         | 839                              | Receivables, net                    |
| -                        | -                                       | -                                        | -                          | -                                | Due from other funds                |
| -                        | -                                       | -                                        | -                          | -                                | Inventories and other assets        |
| -                        | -                                       | -                                        | -                          | -                                | Loans receivable                    |
| <u>\$ 50</u>             | <u>\$ 81</u>                            | <u>\$ 1,540</u>                          | <u>\$ 2,240</u>            | <u>\$ 1,391</u>                  | Total assets                        |
|                          |                                         |                                          |                            |                                  | <b>LIABILITIES</b>                  |
| \$ -                     | \$ 14                                   | \$ 62                                    | \$ 191                     | \$ 1,182                         | Accounts payable                    |
| -                        | -                                       | 52                                       | 167                        | 150                              | Accrued liabilities                 |
| -                        | -                                       | 6                                        | 27                         | 59                               | Due to other funds                  |
| -                        | -                                       | -                                        | 46                         | -                                | Deferred revenue                    |
| <u>-</u>                 | <u>14</u>                               | <u>120</u>                               | <u>431</u>                 | <u>1,391</u>                     | Total liabilities                   |
|                          |                                         |                                          |                            |                                  | <b>FUND BALANCES</b>                |
| -                        | -                                       | -                                        | 23                         | -                                | Reserved                            |
| 8                        | 32                                      | -                                        | 964                        | -                                | Designated                          |
| 42                       | 35                                      | 1,420                                    | 822                        | -                                | Unreserved, reported in             |
| <u>50</u>                | <u>67</u>                               | <u>1,420</u>                             | <u>1,809</u>               | <u>-</u>                         | Special revenue funds               |
|                          |                                         |                                          |                            |                                  | Total fund balances                 |
| <u>\$ 50</u>             | <u>\$ 81</u>                            | <u>\$ 1,540</u>                          | <u>\$ 2,240</u>            | <u>\$ 1,391</u>                  | Total liabilities and fund balances |

(Continued)

COUNTY OF VENTURA  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2004  
(In Thousands)  
(Continued)

|                                     | Spay/Neuter<br>Program | Inmate<br>Welfare<br>Fund | Redevelopment<br>Agency<br>Piru Project | Public<br>Authority | Child Support<br>Services |
|-------------------------------------|------------------------|---------------------------|-----------------------------------------|---------------------|---------------------------|
| <b>ASSETS</b>                       |                        |                           |                                         |                     |                           |
| Cash and investments                | \$ 71                  | \$ 1,737                  | \$ 423                                  | \$ 521              | \$ 1,277                  |
| Receivables, net                    | 1                      | 5                         | 1                                       | 472                 | 1,532                     |
| Due from other funds                | -                      | 98                        | 21                                      | 49                  | 4                         |
| Inventories and other assets        | -                      | 13                        | -                                       | -                   | -                         |
| Loans receivable                    | -                      | -                         | -                                       | -                   | -                         |
| Total assets                        | <u>\$ 72</u>           | <u>\$ 1,853</u>           | <u>\$ 445</u>                           | <u>\$ 1,042</u>     | <u>\$ 2,813</u>           |
| <b>LIABILITIES</b>                  |                        |                           |                                         |                     |                           |
| Accounts payable                    | \$ 1                   | \$ 91                     | \$ 1                                    | \$ 170              | \$ 9                      |
| Accrued liabilities                 | -                      | 22                        | 1                                       | 16                  | 1,555                     |
| Due to other funds                  | -                      | 36                        | -                                       | 856                 | 1,094                     |
| Deferred revenue                    | -                      | -                         | -                                       | -                   | 83                        |
| Total liabilities                   | <u>1</u>               | <u>149</u>                | <u>2</u>                                | <u>1,042</u>        | <u>2,741</u>              |
| <b>FUND BALANCES</b>                |                        |                           |                                         |                     |                           |
| Reserved                            | -                      | 46                        | -                                       | -                   | -                         |
| Designated                          | 58                     | 1,135                     | 306                                     | -                   | -                         |
| Unreserved, reported in             |                        |                           |                                         |                     |                           |
| Special revenue funds               | <u>13</u>              | <u>523</u>                | <u>137</u>                              | <u>-</u>            | <u>72</u>                 |
| Total fund balances                 | <u>71</u>              | <u>1,704</u>              | <u>443</u>                              | <u>-</u>            | <u>72</u>                 |
| Total liabilities and fund balances | <u>\$ 72</u>           | <u>\$ 1,853</u>           | <u>\$ 445</u>                           | <u>\$ 1,042</u>     | <u>\$ 2,813</u>           |

See accompanying independent auditors' report

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COUNTY OF VENTURA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
 (In Thousands)

|                                                              | Total            | County<br>Library<br>Fund | H. U. D.<br>Grants<br>Fund | Loan<br>Fund    |
|--------------------------------------------------------------|------------------|---------------------------|----------------------------|-----------------|
| <b>Revenues:</b>                                             |                  |                           |                            |                 |
| Taxes                                                        | \$ 7,008         | \$ 6,280                  | \$ -                       | \$ -            |
| Licenses, permits, and franchises                            | 379              | -                         | -                          | -               |
| Fines, forfeitures, and penalties                            | 4                | 3                         | -                          | -               |
| Revenues from use of money and property                      | 362              | 89                        | -                          | 124             |
| Aid from other governmental units                            | 39,837           | 2,011                     | 5,859                      | -               |
| Charges for current services                                 | 2,711            | 262                       | -                          | -               |
| Other                                                        | 2,705            | 412                       | -                          | -               |
| Total revenues                                               | <u>53,006</u>    | <u>9,057</u>              | <u>5,859</u>               | <u>124</u>      |
| <b>Expenditures:</b>                                         |                  |                           |                            |                 |
| Current:                                                     |                  |                           |                            |                 |
| General government                                           | -                | -                         | -                          | -               |
| Public protection                                            | 26,859           | -                         | -                          | -               |
| Public ways and facilities                                   | 179              | -                         | -                          | -               |
| Public assistance                                            | 19,366           | -                         | 6,025                      | 80              |
| Education                                                    | 7,832            | 7,832                     | -                          | -               |
| Capital outlay                                               | 1,305            | 1,174                     | -                          | -               |
| Debt service:                                                |                  |                           |                            |                 |
| Principal retirement                                         | 26               | -                         | -                          | -               |
| Interest and fiscal charges                                  | 12               | -                         | -                          | -               |
| Total expenditures                                           | <u>55,579</u>    | <u>9,006</u>              | <u>6,025</u>               | <u>80</u>       |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(2,573)</u>   | <u>51</u>                 | <u>(166)</u>               | <u>44</u>       |
| <b>Other financing sources (uses):</b>                       |                  |                           |                            |                 |
| Transfers in                                                 | 2,596            | 17                        | -                          | -               |
| Transfers out                                                | (419)            | -                         | -                          | -               |
| Total other financing sources (uses)                         | <u>2,177</u>     | <u>17</u>                 | <u>-</u>                   | <u>-</u>        |
| <b>Net change in fund balances</b>                           | <u>(396)</u>     | <u>68</u>                 | <u>(166)</u>               | <u>44</u>       |
| Fund balances - beginning                                    | 12,262           | 4,348                     | 296                        | 1,622           |
| Changes in reserve for inventory                             | (18)             | -                         | -                          | -               |
| Fund balances - ending                                       | <u>\$ 11,848</u> | <u>\$ 4,416</u>           | <u>\$ 130</u>              | <u>\$ 1,666</u> |

See accompanying independent auditors' report

COUNTY OF VENTURA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| Fish and<br>Game<br>Fund | Domestic<br>Violence<br>Program<br>Fund | Environmental<br>and Energy<br>Resources | County<br>Service<br>Areas | Workforce<br>Development<br>Fund |                                                              |
|--------------------------|-----------------------------------------|------------------------------------------|----------------------------|----------------------------------|--------------------------------------------------------------|
| \$ -                     | \$ -                                    | \$ -                                     | \$ 728                     | \$ -                             | <b>Revenues:</b>                                             |
| -                        | -                                       | 379                                      | -                          | -                                | Taxes                                                        |
| -                        | -                                       | -                                        | 1                          | -                                | Licenses, permits, and franchises                            |
| 1                        | 1                                       | 30                                       | 47                         | 1                                | Fines, forfeitures, and penalties                            |
| -                        | -                                       | 594                                      | 11                         | 8,653                            | Revenues from use of money and property                      |
| 38                       | -                                       | 1,696                                    | 715                        | -                                | Aid from other governmental units                            |
| -                        | 135                                     | 4                                        | -                          | -                                | Charges for current services                                 |
| 39                       | 136                                     | 2,703                                    | 1,502                      | 8,654                            | Other                                                        |
|                          |                                         |                                          |                            |                                  | Total revenues                                               |
|                          |                                         |                                          |                            |                                  | <b>Expenditures:</b>                                         |
| -                        | -                                       | -                                        | -                          | -                                | Current:                                                     |
| 71                       | -                                       | 2,905                                    | 1,226                      | -                                | General government                                           |
| -                        | -                                       | -                                        | -                          | -                                | Public protection                                            |
| -                        | 119                                     | -                                        | -                          | 8,629                            | Public ways and facilities                                   |
| -                        | -                                       | -                                        | -                          | -                                | Public assistance                                            |
| -                        | -                                       | 20                                       | 80                         | 25                               | Education                                                    |
| -                        | -                                       | -                                        | 26                         | -                                | Capital outlay                                               |
| -                        | -                                       | -                                        | 12                         | -                                | Debt service:                                                |
| 71                       | 119                                     | 2,925                                    | 1,344                      | 8,654                            | Principal retirement                                         |
|                          |                                         |                                          |                            |                                  | Interest and fiscal charges                                  |
|                          |                                         |                                          |                            |                                  | Total expenditures                                           |
| (32)                     | 17                                      | (222)                                    | 158                        | -                                | Excess (deficiency) of revenues over<br>(under) expenditures |
| -                        | -                                       | -                                        | -                          | -                                | <b>Other financing sources (uses):</b>                       |
| (50)                     | -                                       | -                                        | -                          | -                                | Transfers in                                                 |
| (50)                     | -                                       | -                                        | -                          | -                                | Transfers out                                                |
| (82)                     | 17                                      | (222)                                    | 158                        | -                                | Total other financing sources (uses)                         |
| 132                      | 50                                      | 1,642                                    | 1,651                      | -                                | <b>Net change in fund balances</b>                           |
| -                        | -                                       | -                                        | -                          | -                                | Fund balances - beginning                                    |
| \$ 50                    | \$ 67                                   | \$ 1,420                                 | \$ 1,809                   | \$ -                             | Changes in reserve for inventory                             |
|                          |                                         |                                          |                            |                                  | Fund balances - ending                                       |

(Continued)

COUNTY OF VENTURA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)  
(Continued)

|                                                              | Spay/Neuter<br>Program | Inmate<br>Welfare<br>Fund | Redevelopment<br>Agency<br>Piru Project | Public<br>Authority | Child Support<br>Services |
|--------------------------------------------------------------|------------------------|---------------------------|-----------------------------------------|---------------------|---------------------------|
| <b>Revenues:</b>                                             |                        |                           |                                         |                     |                           |
| Taxes                                                        | \$ -                   | \$ -                      | \$ -                                    | \$ -                | \$ -                      |
| Licenses, permits, and franchises                            | -                      | -                         | -                                       | -                   | -                         |
| Fines, forfeitures, and penalties                            | -                      | -                         | -                                       | -                   | -                         |
| Revenues from use of money and property                      | -                      | 12                        | 12                                      | 4                   | 41                        |
| Aid from other governmental units                            | -                      | -                         | -                                       | 2,148               | 20,561                    |
| Charges for current services                                 | -                      | -                         | -                                       | -                   | -                         |
| Other                                                        | -                      | 2,098                     | -                                       | -                   | 56                        |
| Total revenues                                               | -                      | 2,110                     | 12                                      | 2,152               | 20,658                    |
| <b>Expenditures:</b>                                         |                        |                           |                                         |                     |                           |
| Current:                                                     |                        |                           |                                         |                     |                           |
| General government                                           | -                      | -                         | -                                       | -                   | -                         |
| Public protection                                            | 17                     | 2,035                     | -                                       | -                   | 20,605                    |
| Public ways and facilities                                   | -                      | -                         | 179                                     | -                   | -                         |
| Public assistance                                            | -                      | -                         | -                                       | 4,513               | -                         |
| Education                                                    | -                      | -                         | -                                       | -                   | -                         |
| Capital outlay                                               | -                      | 6                         | -                                       | -                   | -                         |
| Debt service:                                                |                        |                           |                                         |                     |                           |
| Principal retirement                                         | -                      | -                         | -                                       | -                   | -                         |
| Interest and fiscal charges                                  | -                      | -                         | -                                       | -                   | -                         |
| Total expenditures                                           | 17                     | 2,041                     | 179                                     | 4,513               | 20,605                    |
| Excess (deficiency) of revenues over<br>(under) expenditures | (17)                   | 69                        | (167)                                   | (2,361)             | 53                        |
| <b>Other financing sources (uses):</b>                       |                        |                           |                                         |                     |                           |
| Transfers in                                                 | -                      | -                         | 219                                     | 2,360               | -                         |
| Transfers out                                                | -                      | (369)                     | -                                       | -                   | -                         |
| Total other financing sources (uses)                         | -                      | (369)                     | 219                                     | 2,360               | -                         |
| <b>Net change in fund balances</b>                           | (17)                   | (300)                     | 52                                      | (1)                 | 53                        |
| Fund balances - beginning                                    | 88                     | 2,022                     | 391                                     | 1                   | 19                        |
| Changes in reserve for inventory                             | -                      | (18)                      | -                                       | -                   | -                         |
| Fund balances - ending                                       | \$ 71                  | \$ 1,704                  | \$ 443                                  | \$ -                | \$ 72                     |

See accompanying independent auditors' report

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
COUNTY LIBRARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | COUNTY LIBRARY     |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                    |                 |                  |                                                         |
| Taxes                                                                              | \$ 6,043           | \$ 6,043        | \$ 6,280         | \$ 237                                                  |
| Fines, forfeitures, and penalties                                                  | -                  | -               | 3                | 3                                                       |
| Revenue from use of money and property                                             | 97                 | 97              | 112              | 15                                                      |
| Aid from other governmental units                                                  | 2,024              | 2,020           | 2,012            | (8)                                                     |
| Charges for services                                                               | 258                | 258             | 279              | 21                                                      |
| Other                                                                              | 1,098              | 1,085           | 1,060            | (25)                                                    |
| Amount available for appropriation                                                 | 9,520              | 9,503           | 9,746            | 243                                                     |
| <b>Charges to appropriations (outflows):</b>                                       |                    |                 |                  |                                                         |
| Education:                                                                         |                    |                 |                  |                                                         |
| Salaries and benefits                                                              | 4,879              | 4,795           | 4,776            | 19                                                      |
| Services and supplies                                                              | 3,352              | 4,594           | 2,932            | 1,662                                                   |
| Other charges                                                                      | 124                | 124             | 124              | -                                                       |
| Contingencies                                                                      | 187                | 187             | -                | 187                                                     |
| Total education                                                                    | 8,542              | 9,700           | 7,832            | 1,868                                                   |
| Capital outlay                                                                     | 1,684              | 1,830           | 1,174            | 656                                                     |
| Debt service:                                                                      |                    |                 |                  |                                                         |
| Interest and fiscal charges                                                        | 8                  | 8               | -                | 8                                                       |
| Total charges to appropriation                                                     | 10,234             | 11,538          | 9,006            | 2,532                                                   |
| Excess (deficiency) of revenues over expenditures                                  | (714)              | (2,035)         | 740              | 2,775                                                   |
| Other financing sources (uses):                                                    |                    |                 |                  |                                                         |
| Transfers in                                                                       | 17                 | 17              | 17               | -                                                       |
| Total financing sources (uses)                                                     | 17                 | 17              | 17               | -                                                       |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (697)              | (2,018)         | 757              | 2,775                                                   |
| <b>Fund balances - beginning</b>                                                   | 4,348              | 4,348           | 4,348            | -                                                       |
| <b>Fund balances - ending</b>                                                      | \$ 3,651           | \$ 2,330        | \$ 5,105         | \$ 2,775                                                |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
H. U. D. GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | <b>HOUSING AND URBAN DEVELOPMENT</b> |                         |                          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|--------------------------------------|-------------------------|--------------------------|---------------------------------------------------------|
|                                                                                    | <u>Original<br/>Budget</u>           | <u>Final<br/>Budget</u> | <u>Actual<br/>Amount</u> |                                                         |
| <b>Resources (inflows):</b>                                                        |                                      |                         |                          |                                                         |
| Aid from other governmental units                                                  | \$ 4,315                             | \$ 11,592               | \$ 5,859                 | \$ (5,733)                                              |
| Amount available for appropriation                                                 | <u>4,315</u>                         | <u>11,592</u>           | <u>5,859</u>             | <u>(5,733)</u>                                          |
| <b>Charges to appropriations (outflows):</b>                                       |                                      |                         |                          |                                                         |
| Public assistance:                                                                 |                                      |                         |                          |                                                         |
| Services and supplies                                                              | <u>4,315</u>                         | <u>11,592</u>           | <u>6,025</u>             | <u>5,567</u>                                            |
| Total public assistance                                                            | <u>4,315</u>                         | <u>11,592</u>           | <u>6,025</u>             | <u>5,567</u>                                            |
| Total charges to appropriation                                                     | <u>4,315</u>                         | <u>11,592</u>           | <u>6,025</u>             | <u>5,567</u>                                            |
| Excess (deficiency) of revenues over expenditures                                  | <u>-</u>                             | <u>-</u>                | <u>(166)</u>             | <u>(166)</u>                                            |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>-</u>                             | <u>-</u>                | <u>(166)</u>             | <u>(166)</u>                                            |
| <b>Fund balances - beginning</b>                                                   | <u>296</u>                           | <u>296</u>              | <u>296</u>               | <u>-</u>                                                |
| <b>Fund balances - ending</b>                                                      | <u>\$ 296</u>                        | <u>\$ 296</u>           | <u>\$ 130</u>            | <u>\$ (166)</u>                                         |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
LOAN FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| LOAN FUND                                                                          |                    |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                    |                 |                  |                                                         |
| Revenue from use of money and property                                             | \$ 81              | \$ 81           | \$ 131           | \$ 50                                                   |
| Aid from other governmental units                                                  | 381                | 381             | -                | (381)                                                   |
| Other                                                                              | 187                | 187             | -                | (187)                                                   |
| Amount available for appropriation                                                 | 649                | 649             | 131              | (518)                                                   |
| <b>Charges to appropriations (outflows):</b>                                       |                    |                 |                  |                                                         |
| Public assistance:                                                                 |                    |                 |                  |                                                         |
| Services and supplies                                                              | 101                | 101             | 80               | 21                                                      |
| Contingencies                                                                      | -                  | 55              | -                | 55                                                      |
| Total public assistance                                                            | 101                | 156             | 80               | 76                                                      |
| Total charges to appropriation                                                     | 101                | 156             | 80               | 76                                                      |
| Excess (deficiency) of revenues over expenditures                                  | 548                | 493             | 51               | (442)                                                   |
| Other financing sources (uses):                                                    |                    |                 |                  |                                                         |
| Loans advanced                                                                     | (1,159)            | (1,159)         | -                | 1,159                                                   |
| Total financing sources (uses)                                                     | (1,159)            | (1,159)         | -                | 1,159                                                   |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (611)              | (666)           | 51               | 717                                                     |
| <b>Fund balances - beginning</b>                                                   | 1,622              | 1,622           | 1,622            | -                                                       |
| <b>Fund balances - ending</b>                                                      | \$ 1,011           | \$ 956          | \$ 1,673         | \$ 717                                                  |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
FISH AND GAME FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                           | <b>FISH AND GAME</b>       |                         |                          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------------------------------------------------------------|----------------------------|-------------------------|--------------------------|---------------------------------------------------------|
|                                                                                           | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amount</u> |                                                         |
| <b>Resources (inflows):</b>                                                               |                            |                         |                          |                                                         |
| Revenue from use of money and property                                                    | \$ 2                       | \$ 2                    | \$ 1                     | \$ (1)                                                  |
| Charges for services                                                                      | 51                         | 51                      | 38                       | (13)                                                    |
| Amount available for appropriation                                                        | <u>53</u>                  | <u>53</u>               | <u>39</u>                | <u>(14)</u>                                             |
| <b>Charges to appropriations (outflows):</b>                                              |                            |                         |                          |                                                         |
| Public protection:                                                                        |                            |                         |                          |                                                         |
| Services and supplies                                                                     | 1                          | 49                      | 21                       | 28                                                      |
| Other charges                                                                             | 102                        | 54                      | 50                       | 4                                                       |
| Contingencies                                                                             | <u>-</u>                   | <u>23</u>               | <u>-</u>                 | <u>23</u>                                               |
| Total public protection                                                                   | <u>103</u>                 | <u>126</u>              | <u>71</u>                | <u>55</u>                                               |
| <br>Total charges to appropriation                                                        | <br><u>103</u>             | <br><u>126</u>          | <br><u>71</u>            | <br><u>55</u>                                           |
| <br>Excess (deficiency) of revenues over<br>expenditures                                  | <br><u>(50)</u>            | <br><u>(73)</u>         | <br><u>(32)</u>          | <br><u>41</u>                                           |
| <br>Other financing sources (uses):                                                       |                            |                         |                          |                                                         |
| Transfers out                                                                             | <u>(50)</u>                | <u>(50)</u>             | <u>(50)</u>              | <u>-</u>                                                |
| Total financing sources (uses)                                                            | <u>(50)</u>                | <u>(50)</u>             | <u>(50)</u>              | <u>-</u>                                                |
| <br>Excess (deficiency) of revenues and other<br>sources over expenditures and other uses | <br><u>(100)</u>           | <br><u>(123)</u>        | <br><u>(82)</u>          | <br><u>41</u>                                           |
| <b>Fund balances - beginning</b>                                                          | <u>132</u>                 | <u>132</u>              | <u>132</u>               | <u>-</u>                                                |
| <br><b>Fund balances - ending</b>                                                         | <br><u>\$ 32</u>           | <br><u>\$ 9</u>         | <br><u>\$ 50</u>         | <br><u>\$ 41</u>                                        |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
DOMESTIC VIOLENCE PROGRAM FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | <b>DOMESTIC VIOLENCE</b>   |                         |                          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|----------------------------|-------------------------|--------------------------|---------------------------------------------------------|
|                                                                                    | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amount</u> |                                                         |
| <b>Resources (inflows):</b>                                                        |                            |                         |                          |                                                         |
| Revenue from use of money and property                                             | \$ 1                       | \$ 1                    | \$ 2                     | \$ 1                                                    |
| Other                                                                              | 118                        | 118                     | 135                      | 17                                                      |
| Amount available for appropriation                                                 | 119                        | 119                     | 137                      | 18                                                      |
| <b>Charges to appropriations (outflows):</b>                                       |                            |                         |                          |                                                         |
| Public assistance:                                                                 |                            |                         |                          |                                                         |
| Services and supplies                                                              | 119                        | 119                     | 119                      | -                                                       |
| Contingencies                                                                      | -                          | 18                      | -                        | 18                                                      |
| Total public assistance                                                            | 119                        | 137                     | 119                      | 18                                                      |
| Total charges to appropriation                                                     | 119                        | 137                     | 119                      | 18                                                      |
| Excess (deficiency) of revenues over expenditures                                  | -                          | (18)                    | 18                       | 36                                                      |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | -                          | (18)                    | 18                       | 36                                                      |
| <b>Fund balances - beginning</b>                                                   | 50                         | 50                      | 50                       | -                                                       |
| <b>Fund balances - ending</b>                                                      | <u>\$ 50</u>               | <u>\$ 32</u>            | <u>\$ 68</u>             | <u>\$ 36</u>                                            |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
ENVIRONMENTAL AND ENERGY RESOURCES DEPARTMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| ENVIRONMENTAL AND ENERGY RESOURCES                                                 |                    |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                    |                 |                  |                                                         |
| Licenses, permits, and franchises                                                  | \$ 329             | \$ 329          | \$ 379           | \$ 50                                                   |
| Revenue from use of money and property                                             | 34                 | 34              | 39               | 5                                                       |
| Aid from other governmental units                                                  | 379                | 430             | 519              | 89                                                      |
| Charges for services                                                               | 1,421              | 1,421           | 1,696            | 275                                                     |
| Other                                                                              | 32                 | 32              | 4                | (28)                                                    |
| Amount available for appropriation                                                 | <u>2,195</u>       | <u>2,246</u>    | <u>2,637</u>     | <u>391</u>                                              |
| <b>Charges to appropriations (outflows):</b>                                       |                    |                 |                  |                                                         |
| Public protection:                                                                 |                    |                 |                  |                                                         |
| Salaries and benefits                                                              | 1,808              | 1,808           | 1,657            | 151                                                     |
| Services and supplies                                                              | 1,754              | 1,806           | 1,248            | 558                                                     |
| Contingencies                                                                      | 13                 | 181             | -                | 181                                                     |
| Total public protection                                                            | <u>3,575</u>       | <u>3,795</u>    | <u>2,905</u>     | <u>890</u>                                              |
| Capital outlay                                                                     | 38                 | 38              | 20               | 18                                                      |
| Total charges to appropriation                                                     | <u>3,613</u>       | <u>3,833</u>    | <u>2,925</u>     | <u>908</u>                                              |
| Excess (deficiency) of revenues over expenditures                                  | <u>(1,418)</u>     | <u>(1,587)</u>  | <u>(288)</u>     | <u>1,299</u>                                            |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(1,418)</u>     | <u>(1,587)</u>  | <u>(288)</u>     | <u>1,299</u>                                            |
| <b>Fund balances - beginning</b>                                                   | <u>1,642</u>       | <u>1,642</u>    | <u>1,642</u>     | <u>-</u>                                                |
| <b>Fund balances - ending</b>                                                      | <u>\$ 224</u>      | <u>\$ 55</u>    | <u>\$ 1,354</u>  | <u>\$ 1,299</u>                                         |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
COUNTY SERVICE AREAS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | COUNTY SERVICE AREAS |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|----------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget   | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                      |                 |                  |                                                         |
| Taxes                                                                              | \$ 664               | \$ 664          | \$ 728           | \$ 64                                                   |
| Licenses, permits, and franchises                                                  | -                    | -               | -                | -                                                       |
| Fines, forfeitures, and penalties                                                  | 1                    | 1               | 1                | -                                                       |
| Revenue from use of money and property                                             | 57                   | 57              | 65               | 8                                                       |
| Aid from other governmental units                                                  | 10                   | 10              | 11               | 1                                                       |
| Charges for services                                                               | 727                  | 727             | 715              | (12)                                                    |
| Amount available for appropriation                                                 | 1,459                | 1,459           | 1,520            | 61                                                      |
| <b>Charges to appropriations (outflows):</b>                                       |                      |                 |                  |                                                         |
| Public protection:                                                                 |                      |                 |                  |                                                         |
| Services and supplies                                                              | 1,674                | 1,654           | 1,226            | 428                                                     |
| Contingencies                                                                      | 229                  | 228             | -                | 228                                                     |
| Total public protection                                                            | 1,903                | 1,882           | 1,226            | 656                                                     |
| Capital outlay                                                                     | 168                  | 188             | 80               | 108                                                     |
| Debt service:                                                                      |                      |                 |                  |                                                         |
| Principal retirement                                                               | 26                   | 26              | 26               | -                                                       |
| Interest and fiscal charges                                                        | 12                   | 12              | 12               | -                                                       |
| Total charges to appropriation                                                     | 2,109                | 2,108           | 1,344            | 764                                                     |
| Excess (deficiency) of revenues over expenditures                                  | (650)                | (649)           | 176              | 825                                                     |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (650)                | (649)           | 176              | 825                                                     |
| <b>Fund balances - beginning</b>                                                   | 1,651                | 1,651           | 1,651            | -                                                       |
| <b>Fund balances - ending</b>                                                      | \$ 1,001             | \$ 1,002        | \$ 1,827         | \$ 825                                                  |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
WORKFORCE DEVELOPMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| <b>WORKFORCE DEVELOPMENT FUND</b>                                                  |            |            |        | Variance with |
|------------------------------------------------------------------------------------|------------|------------|--------|---------------|
|                                                                                    | Original   | Final      | Actual | Final Budget  |
|                                                                                    | Budget     | Budget     | Amount | Positive      |
|                                                                                    |            |            |        | (Negative)    |
| <b>Resources (inflows):</b>                                                        |            |            |        |               |
| Revenue from use of money and property                                             | \$ -       | \$ -       | \$ 2   | \$ 2          |
| Aid from other governmental units                                                  | 9,223      | 9,777      | 8,653  | (1,124)       |
| Other                                                                              | -          | 6          | -      | (6)           |
| Amount available for appropriation                                                 | 9,223      | 9,783      | 8,655  | (1,128)       |
| <b>Charges to appropriations (outflows):</b>                                       |            |            |        |               |
| Public assistance:                                                                 |            |            |        |               |
| Salaries and benefits                                                              | 5,024      | 5,025      | 4,744  | 281           |
| Services and supplies                                                              | 5,673      | 6,151      | 3,885  | 2,266         |
| Contingencies                                                                      | -          | 56         | -      | 56            |
| Total public assistance                                                            | 10,697     | 11,232     | 8,629  | 2,603         |
| Capital outlay                                                                     | -          | 25         | 25     | -             |
| Total charges to appropriation                                                     | 10,697     | 11,257     | 8,654  | 2,603         |
| Excess (deficiency) of revenues over expenditures                                  | (1,474)    | (1,474)    | 1      | 1,475         |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (1,474)    | (1,474)    | 1      | 1,475         |
| <b>Fund balances - beginning</b>                                                   | -          | -          | -      | -             |
| <b>Fund balances - ending</b>                                                      | \$ (1,474) | \$ (1,474) | \$ 1   | \$ 1,475      |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
SPAY/NEUTER PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| SPAY/NEUTER PROGRAM                                                                |          |        |        | Variance with |
|------------------------------------------------------------------------------------|----------|--------|--------|---------------|
|                                                                                    | Original | Final  | Actual | Final Budget  |
|                                                                                    | Budget   | Budget | Amount | Positive      |
|                                                                                    |          |        |        | (Negative)    |
| <b>Resources (inflows):</b>                                                        |          |        |        |               |
| Revenue from use of money and property                                             | \$ -     | \$ -   | \$ 1   | \$ 1          |
| Amount available for appropriation                                                 | -        | -      | 1      | 1             |
| <b>Charges to appropriations (outflows):</b>                                       |          |        |        |               |
| Public protection:                                                                 |          |        |        |               |
| Services and supplies                                                              | 26       | 26     | 17     | 9             |
| Contingencies                                                                      | 4        | 4      | -      | 4             |
| Total public protection                                                            | 30       | 30     | 17     | 13            |
| Total charges to appropriation                                                     | 30       | 30     | 17     | 13            |
| Excess (deficiency) of revenues over expenditures                                  | (30)     | (30)   | (16)   | 14            |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (30)     | (30)   | (16)   | 14            |
| <b>Fund balances - beginning</b>                                                   | 88       | 88     | 88     | -             |
| <b>Fund balances - ending</b>                                                      | \$ 58    | \$ 58  | \$ 72  | \$ 14         |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
INMATE WELFARE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | INMATE WELFARE     |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                    |                 |                  |                                                         |
| Revenue from use of money and property                                             | \$ 60              | \$ 60           | \$ 29            | \$ (31)                                                 |
| Other                                                                              | 1,946              | 1,946           | 2,098            | 152                                                     |
| Amount available for appropriation                                                 | 2,006              | 2,006           | 2,127            | 121                                                     |
| <b>Charges to appropriations (outflows):</b>                                       |                    |                 |                  |                                                         |
| Public protection:                                                                 |                    |                 |                  |                                                         |
| Salaries and benefits                                                              | 838                | 765             | 765              | -                                                       |
| Services and supplies                                                              | 1,251              | 1,470           | 1,270            | 200                                                     |
| Contingencies                                                                      | -                  | 256             | -                | 256                                                     |
| Total public protection                                                            | 2,089              | 2,491           | 2,035            | 456                                                     |
| Capital outlay                                                                     | 56                 | 6               | 6                | -                                                       |
| Total charges to appropriation                                                     | 2,145              | 2,497           | 2,041            | 456                                                     |
| Excess (deficiency) of revenues over expenditures                                  | (139)              | (491)           | 86               | 577                                                     |
| Other financing sources (uses):                                                    |                    |                 |                  |                                                         |
| Transfers out                                                                      | (394)              | (370)           | (369)            | 1                                                       |
| Total financing sources (uses)                                                     | (394)              | (370)           | (369)            | 1                                                       |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (533)              | (861)           | (283)            | 578                                                     |
| <b>Fund balances - beginning</b>                                                   | 2,022              | 2,022           | 2,022            | -                                                       |
| <b>Fund balances - ending</b>                                                      | \$ 1,489           | \$ 1,161        | \$ 1,739         | \$ 578                                                  |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
REDEVELOPMENT AGENCY PIRU PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| REDEVELOPMENT AGENCY - PIRU PROJECT                                                |                    |                 |                  |                                                       |
|------------------------------------------------------------------------------------|--------------------|-----------------|------------------|-------------------------------------------------------|
|                                                                                    | Original<br>Budget | Final<br>Budget | Actual<br>Amount | Variance with<br>Final Budget<br>Positive<br>Negative |
| <b>Resources (inflows):</b>                                                        |                    |                 |                  |                                                       |
| Revenue from use of money and property                                             | \$ 17              | \$ 17           | \$ 15            | \$ (2)                                                |
| Amount available for appropriation                                                 | 17                 | 17              | 15               | (2)                                                   |
| <b>Charges to appropriations (outflows):</b>                                       |                    |                 |                  |                                                       |
| Public ways and facilities:                                                        |                    |                 |                  |                                                       |
| Services and supplies                                                              | 606                | 607             | 179              | 428                                                   |
| Contingencies                                                                      | 35                 | 35              | -                | 35                                                    |
| Total public ways and facilities                                                   | 641                | 642             | 179              | 463                                                   |
| Total charges to appropriation                                                     | 641                | 642             | 179              | 463                                                   |
| Excess (deficiency) of revenues over expenditures                                  | (624)              | (625)           | (164)            | 461                                                   |
| Other financing sources (uses):                                                    |                    |                 |                  |                                                       |
| Transfers in                                                                       | 246                | 246             | 219              | (27)                                                  |
| Transfers out                                                                      | (10)               | (10)            | -                | 10                                                    |
| Total financing sources (uses)                                                     | 236                | 236             | 219              | (17)                                                  |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (388)              | (389)           | 55               | 444                                                   |
| Fund balances - beginning                                                          | 391                | 391             | 391              | -                                                     |
| Fund balances - ending                                                             | \$ 3               | \$ 2            | \$ 446           | \$ 444                                                |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
IN-HOME SUPPORTIVE SERVICES - PUBLIC AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | IN-HOME SUPPORTIVE SERVICES - PUBLIC AUTHORITY |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|------------------------------------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget                             | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                                                |                 |                  |                                                         |
| Revenue from use of money and property                                             | \$ -                                           | \$ -            | \$ 8             | \$ 8                                                    |
| Aid from other governmental units                                                  | 2,279                                          | 2,369           | 2,148            | (221)                                                   |
| Amount available for appropriation                                                 | 2,279                                          | 2,369           | 2,156            | (213)                                                   |
| <b>Charges to appropriations (outflows):</b>                                       |                                                |                 |                  |                                                         |
| Public assistance:                                                                 |                                                |                 |                  |                                                         |
| Salaries and benefits                                                              | 288                                            | 505             | 420              | 85                                                      |
| Services and supplies                                                              | 344                                            | 242             | 107              | 135                                                     |
| Other charges                                                                      | 4,649                                          | 4,305           | 3,986            | 319                                                     |
| Total public assistance                                                            | 5,281                                          | 5,052           | 4,513            | 539                                                     |
| Total charges to appropriation                                                     | 5,281                                          | 5,052           | 4,513            | 539                                                     |
| Excess (deficiency) of revenues over expenditures                                  | (3,002)                                        | (2,683)         | (2,357)          | 326                                                     |
| Other financing sources (uses):                                                    |                                                |                 |                  |                                                         |
| Transfers in                                                                       | 3,002                                          | 2,683           | 2,360            | 323                                                     |
| Total financing sources (uses)                                                     | 3,002                                          | 2,683           | 2,360            | 323                                                     |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | -                                              | -               | 3                | 3                                                       |
| <b>Fund balances - beginning</b>                                                   | 1                                              | 1               | 1                | -                                                       |
| <b>Fund balances - ending</b>                                                      | \$ 1                                           | \$ 1            | \$ 4             | \$ 3                                                    |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR SPECIAL REVENUE FUNDS  
DEPARTMENT OF CHILD SUPPORT SERVICES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | <b>CHILD SUPPORT SERVICES</b> |                         |                          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|-------------------------------|-------------------------|--------------------------|---------------------------------------------------------|
|                                                                                    | <u>Original<br/>Budget</u>    | <u>Final<br/>Budget</u> | <u>Actual<br/>Amount</u> |                                                         |
| <b>Resources (inflows):</b>                                                        |                               |                         |                          |                                                         |
| Revenue from use of money and property                                             | \$ 65                         | \$ 65                   | \$ 46                    | \$ (19)                                                 |
| Aid from other governmental units                                                  | 20,768                        | 21,008                  | 20,561                   | (447)                                                   |
| Other                                                                              | 96                            | -                       | -                        | -                                                       |
| Amount available for appropriation                                                 | <u>20,929</u>                 | <u>21,073</u>           | <u>20,607</u>            | <u>(466)</u>                                            |
| <b>Charges to appropriations (outflows):</b>                                       |                               |                         |                          |                                                         |
| Public protection:                                                                 |                               |                         |                          |                                                         |
| Salaries and benefits                                                              | 17,258                        | 17,358                  | 17,233                   | 125                                                     |
| Services and supplies                                                              | 3,656                         | 3,656                   | 3,313                    | 343                                                     |
| Other charges                                                                      | -                             | 59                      | 59                       | -                                                       |
| Total public protection                                                            | <u>20,914</u>                 | <u>21,073</u>           | <u>20,605</u>            | <u>468</u>                                              |
| Capital outlay                                                                     | <u>15</u>                     | <u>-</u>                | <u>-</u>                 | <u>-</u>                                                |
| Total charges to appropriation                                                     | <u>20,929</u>                 | <u>21,073</u>           | <u>20,605</u>            | <u>468</u>                                              |
| Excess (deficiency) of revenues over expenditures                                  | <u>-</u>                      | <u>-</u>                | <u>2</u>                 | <u>2</u>                                                |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>-</u>                      | <u>-</u>                | <u>2</u>                 | <u>2</u>                                                |
| <b>Fund balances - beginning</b>                                                   | <u>19</u>                     | <u>19</u>               | <u>19</u>                | <u>-</u>                                                |
| <b>Fund balances - ending</b>                                                      | <u>\$ 19</u>                  | <u>\$ 19</u>            | <u>\$ 21</u>             | <u>\$ 2</u>                                             |

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## **NON-MAJOR GOVERNMENTAL FUNDS**

### **DEBT SERVICE FUNDS**

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt. A more detailed description of each fund is listed below:

#### **PUBLIC FACILITIES CORPORATION**

This fund is used to accumulate resources for the payment of principal and interest on the Certificates of Participation issues related to the purchase of equipment and the construction of County capital project improvements. This fund receives transfers primarily from the General Fund based on lease-purchase agreements.

#### **PUBLIC FINANCING AUTHORITY**

This fund accounts for debt proceeds which were used to pay, refund and retire Public Facilities Corporation (PFC) lease revenue bonds under PFC I and Certificates of Participation under PFC III. This fund is also used to finance a portion of various other capital projects and pay costs incurred in connection with the issuance, sale and delivery of the Tax Exempt Commercial Paper Notes and the 2001 Certificates of Participation which advance refunded PFC IV and the 2003 Certificates of Participation (PFAII) which purchased the Gonzales Road Building and is financing the Juvenile Justice Complex Court Facility. This fund is also used to accumulate resources for the payment of principal and interest on the issues. This fund receives transfers primarily from the General Fund based on lease-purchase agreements.

#### **REDEVELOPMENT AGENCY PIRU PROJECT**

This fund is used to accumulate resources for the payment of principal related to the activities of the Redevelopment Agency Piru Project. The plan's purpose is to respond to damage caused by the 1994 Northridge earthquake to Piru's town center and public infrastructure through a project of community reinvestment. Funding is derived solely from property taxes calculated in adherence with Health and Safety Code Section 33670.

#### **WATERSHED PROTECTION DISTRICTS**

This fund is used to accumulate resources for the payment of principal and interest on the general obligation bonds issued by the Watershed Protection Districts. Revenues are received primarily through ad valorem taxes on property.

#### **PENSION OBLIGATION BONDS**

The bonds were issued to provide funds to allow the County to fund its unfunded actuarial liability at December 1, 1995 with respect to VCERA retirement benefits for County employees.

COUNTY OF VENTURA  
 COMBINING BALANCE SHEET  
 NON-MAJOR DEBT SERVICE FUNDS  
 JUNE 30, 2004  
 (In Thousands)

|                                     | <u>Total</u>     | <u>Public<br/>Facilities<br/>Corporation</u> | <u>Public<br/>Financing<br/>Authority</u> |
|-------------------------------------|------------------|----------------------------------------------|-------------------------------------------|
| <b><u>ASSETS</u></b>                |                  |                                              |                                           |
| Cash and investments                | \$ 16,442        | \$ -                                         | \$ 14,522                                 |
| Receivables, net                    | 88               | 33                                           | 53                                        |
| Advances to other funds             | 80               | -                                            | -                                         |
| Total assets                        | <u>\$ 16,610</u> | <u>\$ 33</u>                                 | <u>\$ 14,575</u>                          |
| <b><u>LIABILITIES</u></b>           |                  |                                              |                                           |
| Due to other funds                  | \$ 20            | \$ -                                         | \$ -                                      |
| Total liabilities                   | <u>20</u>        | <u>-</u>                                     | <u>-</u>                                  |
| <b><u>FUND BALANCES</u></b>         |                  |                                              |                                           |
| Reserved                            | 16,590           | 33                                           | 14,575                                    |
| Total fund balances                 | <u>16,590</u>    | <u>33</u>                                    | <u>14,575</u>                             |
| Total liabilities and fund balances | <u>\$ 16,610</u> | <u>\$ 33</u>                                 | <u>\$ 14,575</u>                          |

See accompanying independent auditors' report

COUNTY OF VENTURA  
COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS  
JUNE 30, 2004  
(In Thousands)

| Redevelopment<br>Agency<br>Piru Project | Watershed<br>Protection<br>Districts | Pension<br>Obligation<br>Bonds |                                     |
|-----------------------------------------|--------------------------------------|--------------------------------|-------------------------------------|
| <u>\$ 262</u>                           | <u>\$ 9</u>                          | <u>\$ 1,649</u>                | <b><u>ASSETS</u></b>                |
| 1                                       | -                                    | 1                              | Cash and investments                |
| 80                                      | -                                    | -                              | Receivables, net                    |
| <u>\$ 343</u>                           | <u>\$ 9</u>                          | <u>\$ 1,650</u>                | Advances to other funds             |
|                                         |                                      |                                | Total assets                        |
|                                         |                                      |                                |                                     |
| <u>\$ 20</u>                            | <u>\$ -</u>                          | <u>\$ -</u>                    | <b><u>LIABILITIES</u></b>           |
| 20                                      | -                                    | -                              | Due to other funds                  |
|                                         |                                      |                                | Total liabilities                   |
|                                         |                                      |                                |                                     |
| <u>323</u>                              | <u>9</u>                             | <u>1,650</u>                   | <b><u>FUND BALANCES</u></b>         |
| 323                                     | 9                                    | 1,650                          | Reserved                            |
|                                         |                                      |                                | Total fund balances                 |
| <u>\$ 343</u>                           | <u>\$ 9</u>                          | <u>\$ 1,650</u>                | Total liabilities and fund balances |

COUNTY OF VENTURA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR DEBT SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
 (In Thousands)

|                                                              | Total                   | Public<br>Facilities<br>Corporation | Public<br>Financing<br>Authority |
|--------------------------------------------------------------|-------------------------|-------------------------------------|----------------------------------|
| <b>Revenues:</b>                                             |                         |                                     |                                  |
| Taxes                                                        | \$ 489                  | \$ -                                | \$ -                             |
| Revenues from use of money and property                      | 209                     | 14                                  | 176                              |
| Aid from other governmental units                            | 13                      | -                                   | -                                |
| Other                                                        | 20,762                  | -                                   | -                                |
| Total revenues                                               | <u>21,473</u>           | <u>14</u>                           | <u>176</u>                       |
| <b>Expenditures:</b>                                         |                         |                                     |                                  |
| Current:                                                     |                         |                                     |                                  |
| General government                                           | 85                      | -                                   | -                                |
| Debt service:                                                |                         |                                     |                                  |
| Principal retirement                                         | 38,445                  | 185                                 | 22,096                           |
| Interest and fiscal charges                                  | 8,147                   | 103                                 | 2,673                            |
| Total expenditures                                           | <u>46,677</u>           | <u>288</u>                          | <u>24,769</u>                    |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(25,204)</u>         | <u>(274)</u>                        | <u>(24,593)</u>                  |
| <b>Other financing sources (uses):</b>                       |                         |                                     |                                  |
| Proceeds from long-term debt                                 | 73                      | -                                   | -                                |
| Transfers in                                                 | 26,699                  | 288                                 | 26,411                           |
| Transfers out                                                | (1,069)                 | (86)                                | (691)                            |
| Total other financing sources (uses)                         | <u>25,703</u>           | <u>202</u>                          | <u>25,720</u>                    |
| <b>Net change in fund balances</b>                           | 499                     | (72)                                | 1,127                            |
| Fund balances - beginning                                    | <u>16,091</u>           | <u>105</u>                          | <u>13,448</u>                    |
| Fund balances - ending                                       | <u><u>\$ 16,590</u></u> | <u><u>\$ 33</u></u>                 | <u><u>\$ 14,575</u></u>          |

See accompanying independent auditors' report

COUNTY OF VENTURA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR DEBT SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| Redevelopment<br>Agency<br>Piru Project | Watershed<br>Protection<br>Districts | Pension<br>Obligation<br>Bonds |                                                              |
|-----------------------------------------|--------------------------------------|--------------------------------|--------------------------------------------------------------|
| \$ 364                                  | \$ 125                               | \$ -                           | <b>Revenues:</b>                                             |
| 2                                       | 2                                    | 15                             | Taxes                                                        |
| 12                                      | 1                                    | -                              | Revenues from use of money and property                      |
| -                                       | -                                    | 20,762                         | Aid from other governmental units                            |
| 378                                     | 128                                  | 20,777                         | Other                                                        |
|                                         |                                      |                                | Total revenues                                               |
|                                         |                                      |                                | <b>Expenditures:</b>                                         |
| 85                                      | -                                    | -                              | Current:                                                     |
|                                         |                                      |                                | General government                                           |
| 39                                      | 295                                  | 15,830                         | Debt service:                                                |
| 32                                      | 10                                   | 5,329                          | Principal retirement                                         |
| 156                                     | 305                                  | 21,159                         | Interest and fiscal charges                                  |
|                                         |                                      |                                | Total expenditures                                           |
| 222                                     | (177)                                | (382)                          | Excess (deficiency) of revenues over<br>(under) expenditures |
| 73                                      | -                                    | -                              | <b>Other financing sources (uses):</b>                       |
| -                                       | -                                    | -                              | Proceeds from long-term debt                                 |
| (292)                                   | -                                    | -                              | Transfers in                                                 |
| (219)                                   | -                                    | -                              | Transfers out                                                |
|                                         |                                      |                                | Total other financing sources (uses)                         |
| 3                                       | (177)                                | (382)                          | <b>Net change in fund balances</b>                           |
| 320                                     | 186                                  | 2,032                          | Fund balances - beginning                                    |
| \$ 323                                  | \$ 9                                 | \$ 1,650                       | Fund balances - ending                                       |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR DEBT SERVICE FUNDS  
REVEVELOPMENT AGENCY PIRU PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| <b>REDEVELOPMENT AGENCY - PIRU PROJECT</b>                                         |                    |                 |                                                         |
|------------------------------------------------------------------------------------|--------------------|-----------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget | Final<br>Budget | Actual<br>Amount                                        |
|                                                                                    |                    |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| <b>Resources (inflows):</b>                                                        |                    |                 |                                                         |
| Taxes                                                                              | \$ 293             | \$ 293          | \$ 364                                                  |
| Revenue from use of money and property                                             | 10                 | 10              | 4                                                       |
| Aid from other governmental units                                                  | 15                 | 15              | 12                                                      |
| Amount available for appropriation                                                 | <u>318</u>         | <u>318</u>      | <u>380</u>                                              |
| <b>Charges to appropriations (outflows):</b>                                       |                    |                 |                                                         |
| Public ways and facilities:                                                        |                    |                 |                                                         |
| Services and supplies                                                              | 96                 | 96              | 85                                                      |
| Contingencies                                                                      | 72                 | 72              | -                                                       |
| Total public ways and facilities                                                   | <u>168</u>         | <u>168</u>      | <u>85</u>                                               |
| Debt service:                                                                      |                    |                 |                                                         |
| Principal retirement                                                               | 65                 | 65              | -                                                       |
| Total charges to appropriation                                                     | <u>233</u>         | <u>233</u>      | <u>85</u>                                               |
| Excess (deficiency) of revenues over expenditures                                  | <u>85</u>          | <u>85</u>       | <u>295</u>                                              |
| Other financing sources (uses):                                                    |                    |                 |                                                         |
| Transfers out                                                                      | (346)              | (346)           | (296)                                                   |
| Total financing sources (uses)                                                     | <u>(346)</u>       | <u>(346)</u>    | <u>(296)</u>                                            |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (261)              | (261)           | (1)                                                     |
| <b>Fund balances - beginning</b>                                                   | <u>320</u>         | <u>320</u>      | <u>320</u>                                              |
| <b>Fund balances - ending</b>                                                      | <u>\$ 59</u>       | <u>\$ 59</u>    | <u>\$ 319</u>                                           |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR DEBT SERVICE FUNDS  
WATERSHED PROTECTION DISTRICTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | <b>WATERSHED PROTECTION DISTRICTS</b> |                 |                  | Variance with                          |
|------------------------------------------------------------------------------------|---------------------------------------|-----------------|------------------|----------------------------------------|
|                                                                                    | Original<br>Budget                    | Final<br>Budget | Actual<br>Amount | Final Budget<br>Positive<br>(Negative) |
| <b>Resources (inflows):</b>                                                        |                                       |                 |                  |                                        |
| Taxes                                                                              | \$ 2                                  | \$ 119          | \$ 125           | \$ 6                                   |
| Revenue from use of money and property                                             | 131                                   | 2               | 3                | 1                                      |
| Aid from other governmental units                                                  | -                                     | -               | 1                | 1                                      |
| Amount available for appropriation                                                 | <u>133</u>                            | <u>121</u>      | <u>129</u>       | <u>8</u>                               |
| <b>Charges to appropriations (outflows):</b>                                       |                                       |                 |                  |                                        |
| Debt service:                                                                      |                                       |                 |                  |                                        |
| Principal retirement                                                               | 295                                   | 295             | 295              | -                                      |
| Interest and fiscal charges                                                        | <u>10</u>                             | <u>10</u>       | <u>10</u>        | <u>-</u>                               |
| Total charges to appropriation                                                     | <u>305</u>                            | <u>305</u>      | <u>305</u>       | <u>-</u>                               |
| Excess (deficiency) of revenues over expenditures                                  | <u>(172)</u>                          | <u>(184)</u>    | <u>(176)</u>     | <u>8</u>                               |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (172)                                 | (184)           | (176)            | 8                                      |
| <b>Fund balances - beginning</b>                                                   | <u>186</u>                            | <u>186</u>      | <u>186</u>       | <u>-</u>                               |
| <b>Fund balances - ending</b>                                                      | <u>\$ 14</u>                          | <u>\$ 2</u>     | <u>\$ 10</u>     | <u>\$ 8</u>                            |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR DEBT SERVICE FUNDS  
PENSION OBLIGATION BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| PENSION OBLIGATION BONDS                                                           |                    |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                    |                 |                  |                                                         |
| Revenue from use of money and property                                             | \$ -               | \$ -            | \$ 30            | \$ 30                                                   |
| Other                                                                              | 21,158             | 21,158          | 20,762           | (396)                                                   |
| Amount available for appropriation                                                 | 21,158             | 21,158          | 20,792           | (366)                                                   |
| <b>Charges to appropriations (outflows):</b>                                       |                    |                 |                  |                                                         |
| General government:                                                                |                    |                 |                  |                                                         |
| Contingencies                                                                      | -                  | 1,860           | -                | 1,860                                                   |
| Total general government                                                           | -                  | 1,860           | -                | 1,860                                                   |
| Debt service:                                                                      |                    |                 |                  |                                                         |
| Principal retirement                                                               | 15,830             | 15,830          | 15,830           | -                                                       |
| Interest and fiscal charges                                                        | 5,329              | 5,329           | 5,329            | -                                                       |
| Total charges to appropriation                                                     | 21,159             | 23,019          | 21,159           | 1,860                                                   |
| Excess (deficiency) of revenues over expenditures                                  | (1)                | (1,861)         | (367)            | 1,494                                                   |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (1)                | (1,861)         | (367)            | 1,494                                                   |
| <b>Fund balances - beginning</b>                                                   | 2,032              | 2,032           | 2,032            | -                                                       |
| <b>Fund balances - ending</b>                                                      | <u>\$ 2,031</u>    | <u>\$ 171</u>   | <u>\$ 1,665</u>  | <u>\$ 1,494</u>                                         |

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for financial resources provided by borrowings or contributions and for major capital acquisition and construction activities funded by those resources (other than those financed by proprietary funds and trust funds). Major capital activities are reported in the following funds:

#### **PUBLIC FACILITIES CORPORATION**

This fund is used to account for the costs of constructing and acquiring various buildings, facilities, and equipment for the County of Ventura. The cost of these projects is financed by the issuance of Certificates of Participation in 1998 through the Public Facilities Corporation. All planned projects are completed.

#### **PUBLIC FINANCING AUTHORITY**

This fund is used to account for the costs of constructing and acquiring various buildings, facilities, and equipment for the County of Ventura and the refunding of Public Facilities Corporation Lease Revenue Bonds issued in 1976 and Certificates of Participation issued in 1987. The cost of various projects is financed by the periodic issuance of Tax Exempt Commercial Paper Notes, which were first issued in 1998 through the Public Financing Authority.

Certificates of Participation were issued in 2001 to advance refund Public Facilities Certificates of Participation issued in 1993, refund equipment lease and acquire equipment and buildings for Ventura County Medical Center, Juvenile Justice Facility and General Services Agency.

Additional Certificates of Participation were issued in 2003 to purchase the Gonzales Road Building and finance the construction of the Juvenile Justice Facility Courthouse.

#### **REDEVELOPMENT AGENCY PIRU PROJECT**

This fund is used to account for the financial resources used and costs incurred for the acquisition or construction of major capital facilities as outlined in the Agency's Piru Community Enhancement Plan. The costs of these projects are financed by borrowing, federal grants and unrestricted funds of the Agency.

#### **JUVENILE JUSTICE COMPLEX**

This fund is used to account for the initial costs of acquiring land and constructing various buildings, facilities and equipment for a new juvenile detention and commitment complex. The State Board of Corrections approved a \$40.5 million grant for buildings requiring a \$24.9 million match provided by the County for remaining costs. Current fiscal year costs were funded through issuance of 2001 Certificates of Participation under authority of the Public Financing Authority.

#### **JUVENILE JUSTICE COMPLEX COURTHOUSE**

This fund is used to account for the construction costs of a 56,200 square foot courthouse on the grounds of the Juvenile Justice Complex. Financing for the project, with an estimated cost of \$15.8 million, was provided through the issuance of certificates of participation by the Public Financing Authority in October 2003. Repayment of the debt will be provided by the Ventura County Superior Courts for the courthouse and the ratable share of land and infrastructure using the Courthouse Construction Fund as allowed by law.

COUNTY OF VENTURA  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2004  
(In Thousands)

|                                     | Total           | Public<br>Facilities<br>Corporation | Public<br>Financing<br>Authority | Redevelopment<br>Agency<br>Piru Project | Juvenile<br>Justice<br>Complex | Juvenile<br>Justice<br>Complex<br>Courthouse |
|-------------------------------------|-----------------|-------------------------------------|----------------------------------|-----------------------------------------|--------------------------------|----------------------------------------------|
| <b><u>ASSETS</u></b>                |                 |                                     |                                  |                                         |                                |                                              |
| Cash and investments                | \$ 2,066        | \$ 1,204                            | \$ 752                           | \$ 15                                   | \$ 95                          | \$ -                                         |
| Receivables, net                    | 23              | -                                   | -                                | -                                       | -                              | 23                                           |
| Due from other funds                | 280             | -                                   | -                                | -                                       | 198                            | 82                                           |
| Total assets                        | <u>\$ 2,369</u> | <u>\$ 1,204</u>                     | <u>\$ 752</u>                    | <u>\$ 15</u>                            | <u>\$ 293</u>                  | <u>\$ 105</u>                                |
| <b><u>LIABILITIES</u></b>           |                 |                                     |                                  |                                         |                                |                                              |
| Accounts payable                    | \$ 1,235        | \$ 1                                | \$ 1,218                         | \$ -                                    | \$ -                           | \$ 16                                        |
| Due to other funds                  | 2,688           | -                                   | 2,306                            | -                                       | 293                            | 89                                           |
| Total liabilities                   | <u>3,923</u>    | <u>1</u>                            | <u>3,524</u>                     | <u>-</u>                                | <u>293</u>                     | <u>105</u>                                   |
| <b><u>FUND BALANCES</u></b>         |                 |                                     |                                  |                                         |                                |                                              |
| Unreserved, undesignated            | (1,554)         | 1,203                               | (2,772)                          | 15                                      | -                              | -                                            |
| Total fund balances                 | <u>(1,554)</u>  | <u>1,203</u>                        | <u>(2,772)</u>                   | <u>15</u>                               | <u>-</u>                       | <u>-</u>                                     |
| Total liabilities and fund balances | <u>\$ 2,369</u> | <u>\$ 1,204</u>                     | <u>\$ 752</u>                    | <u>\$ 15</u>                            | <u>\$ 293</u>                  | <u>\$ 105</u>                                |

See accompanying independent auditors' report

COUNTY OF VENTURA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                              | Total             | Public<br>Facilities<br>Corporation | Public<br>Financing<br>Authority | Redevelopment<br>Agency<br>Piru Project | Juvenile<br>Justice<br>Complex | Juvenile<br>Justice<br>Complex<br>Courthouse |
|--------------------------------------------------------------|-------------------|-------------------------------------|----------------------------------|-----------------------------------------|--------------------------------|----------------------------------------------|
| <b>Revenues:</b>                                             |                   |                                     |                                  |                                         |                                |                                              |
| Revenues from use of money and property                      | \$ 135            | \$ 3                                | \$ 134                           | \$ -                                    | \$ (2)                         | \$ -                                         |
| Aid from other governmental units                            | 8,057             | -                                   | -                                | -                                       | 8,057                          | -                                            |
| Charges for current services                                 | 38                | -                                   | -                                | -                                       | 38                             | -                                            |
| Other                                                        | 667               | -                                   | 667                              | -                                       | -                              | -                                            |
| Total revenues                                               | <u>8,897</u>      | <u>3</u>                            | <u>801</u>                       | <u>-</u>                                | <u>8,093</u>                   | <u>-</u>                                     |
| <b>Expenditures:</b>                                         |                   |                                     |                                  |                                         |                                |                                              |
| Current:                                                     |                   |                                     |                                  |                                         |                                |                                              |
| General government                                           | 478               | -                                   | 478                              | -                                       | -                              | -                                            |
| Capital outlay                                               | 28,459            | -                                   | 16,624                           | 6                                       | 2,101                          | 9,728                                        |
| Total expenditures                                           | <u>28,937</u>     | <u>-</u>                            | <u>17,102</u>                    | <u>6</u>                                | <u>2,101</u>                   | <u>9,728</u>                                 |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(20,040)</u>   | <u>3</u>                            | <u>(16,301)</u>                  | <u>(6)</u>                              | <u>5,992</u>                   | <u>(9,728)</u>                               |
| <b>Other financing sources:</b>                              |                   |                                     |                                  |                                         |                                |                                              |
| Proceeds from long-term debt                                 | 29,654            | -                                   | 29,654                           | -                                       | -                              | -                                            |
| Transfers in                                                 | 12,605            | 86                                  | 691                              | 73                                      | 2,027                          | 9,728                                        |
| Transfers out                                                | (30,222)          | -                                   | (30,222)                         | -                                       | -                              | -                                            |
| Total other financing sources                                | <u>12,037</u>     | <u>86</u>                           | <u>123</u>                       | <u>73</u>                               | <u>2,027</u>                   | <u>9,728</u>                                 |
| <b>Net change in fund balances</b>                           | <b>(8,003)</b>    | <b>89</b>                           | <b>(16,178)</b>                  | <b>67</b>                               | <b>8,019</b>                   | <b>-</b>                                     |
| Fund balances - beginning                                    | <u>6,449</u>      | <u>1,114</u>                        | <u>13,406</u>                    | <u>(52)</u>                             | <u>(8,019)</u>                 | <u>-</u>                                     |
| Fund balances - ending                                       | <u>\$ (1,554)</u> | <u>\$ 1,203</u>                     | <u>\$ (2,772)</u>                | <u>\$ 15</u>                            | <u>\$ -</u>                    | <u>\$ -</u>                                  |

See accompanying independent auditors' report

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR CAPITAL PROJECTS FUNDS  
REDEVELOPMENT AGENCY PIRU PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| <b>REDEVELOPMENT AGENCY - PIRU PROJECT</b>                                         |                    |                 |                                                         |
|------------------------------------------------------------------------------------|--------------------|-----------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget | Final<br>Budget | Actual<br>Amount                                        |
|                                                                                    |                    |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| <b>Resources (inflows):</b>                                                        |                    |                 |                                                         |
| Revenue from use of money and property                                             | \$ 3               | \$ 3            | \$ 1                                                    |
| Aid from other governmental units                                                  | 157                | 157             | -                                                       |
| Amount available for appropriation                                                 | 160                | 160             | 1                                                       |
| <b>Charges to appropriations (outflows):</b>                                       |                    |                 |                                                         |
| Public ways and facilities:                                                        |                    |                 |                                                         |
| Services and supplies                                                              | 183                | 184             | -                                                       |
| Total public ways and facilities                                                   | 183                | 184             | -                                                       |
| Capital outlay                                                                     | -                  | 7               | 7                                                       |
| Total charges to appropriation                                                     | 183                | 191             | 7                                                       |
| Excess (deficiency) of revenues over expenditures                                  | (23)               | (31)            | (6)                                                     |
| Other financing sources (uses):                                                    |                    |                 |                                                         |
| Transfers in                                                                       | 73                 | 73              | 73                                                      |
| Total financing sources (uses)                                                     | 73                 | 73              | 73                                                      |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 50                 | 42              | 67                                                      |
| <b>Fund balances - beginning</b>                                                   | (52)               | (52)            | (52)                                                    |
| <b>Fund balances - ending</b>                                                      | \$ (2)             | \$ (10)         | \$ 15                                                   |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUVENILE JUSTICE COMPLEX  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| JUVENILE JUSTICE COMPLEX                                                           |            |            |          | Variance with |
|------------------------------------------------------------------------------------|------------|------------|----------|---------------|
|                                                                                    | Original   | Final      | Actual   | Final Budget  |
|                                                                                    | Budget     | Budget     | Amount   | Positive      |
|                                                                                    |            |            |          | (Negative)    |
| <b>Resources (inflows):</b>                                                        |            |            |          |               |
| Aid from other governmental units                                                  | \$ -       | \$ 4,050   | \$ 8,057 | \$ 4,007      |
| Charges for services                                                               | -          | -          | 38       | 38            |
| Amount available for appropriation                                                 | -          | 4,050      | 8,095    | 4,045         |
| <b>Charges to appropriations (outflows):</b>                                       |            |            |          |               |
| Capital outlay                                                                     | 2,806      | 2,806      | 2,101    | 705           |
| Total charges to appropriation                                                     | 2,806      | 2,806      | 2,101    | 705           |
| Excess (deficiency) of revenues over expenditures                                  | (2,806)    | 1,244      | 5,994    | 4,750         |
| Other financing sources (uses):                                                    |            |            |          |               |
| Transfers in                                                                       | 2,806      | 2,806      | 2,027    | 779           |
| Total financing sources (uses)                                                     | 2,806      | 2,806      | 2,027    | 779           |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | -          | 4,050      | 8,021    | 3,971         |
| <b>Fund balances - beginning</b>                                                   | (8,019)    | (8,019)    | (8,019)  | -             |
| <b>Fund balances - ending</b>                                                      | \$ (8,019) | \$ (3,969) | \$ 2     | \$ 3,971      |

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUVENILE JUSTICE COMPLEX COURTHOUSE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| JUVENILE JUSTICE COMPLEX - COURTHOUSE                                                 |                    |                 |                  |                                                         |
|---------------------------------------------------------------------------------------|--------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                       | Original<br>Budget | Final<br>Budget | Actual<br>Amount | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| Charges to appropriations (outflows):                                                 |                    |                 |                  |                                                         |
| Capital outlay                                                                        | \$ 12,832          | \$ 12,832       | \$ 9,728         | \$ 3,104                                                |
| Total charges to appropriation                                                        | 12,832             | 12,832          | 9,728            | 3,104                                                   |
| Excess (deficiency) of revenues over<br>expenditures                                  | (12,832)           | (12,832)        | (9,728)          | 3,104                                                   |
| Other financing sources (uses):                                                       |                    |                 |                  |                                                         |
| Proceeds from loan                                                                    | 12,832             | 3,104           | -                | (3,104)                                                 |
| Transfers in                                                                          | -                  | 9,728           | 9,728            | -                                                       |
| Total financing sources (uses)                                                        | 12,832             | 12,832          | 9,728            | (3,104)                                                 |
| Excess (deficiency) of revenues and other<br>sources over expenditures and other uses | -                  | -               | -                | -                                                       |
| Fund balances - beginning                                                             | -                  | -               | -                | -                                                       |
| Fund balances - ending                                                                | \$ -               | \$ -            | \$ -             | \$ -                                                    |

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **PERMANENT FUND**

#### **GEORGE D. LYON**

The George D. Lyon Book Fund was established in December 2002, funded by a bequest with the legal restriction that only earnings, and not principal, may be used for the purchase of books for the Foster Library in Ventura, California.

COUNTY OF VENTURA  
BUDGETARY COMPARISON SCHEDULE  
NON-MAJOR PERMANENT FUND  
GEORGE D. LYON BOOK FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                    | GEORGE D. LYON BOOK FUND |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------|--------------------------|-----------------|------------------|---------------------------------------------------------|
|                                                                                    | Original<br>Budget       | Final<br>Budget | Actual<br>Amount |                                                         |
| <b>Resources (inflows):</b>                                                        |                          |                 |                  |                                                         |
| Revenue from use of money and property                                             | \$ 17                    | \$ 17           | \$ 18            | \$ 1                                                    |
| Amount available for appropriation                                                 | 17                       | 17              | 18               | 1                                                       |
| <b>Charges to appropriations (outflows):</b>                                       |                          |                 |                  |                                                         |
| Education:                                                                         |                          |                 |                  |                                                         |
| Contingencies                                                                      | 5                        | 5               | -                | 5                                                       |
| Total education                                                                    | 5                        | 5               | -                | 5                                                       |
| Total charges to appropriation                                                     | 5                        | 5               | -                | 5                                                       |
| Excess (deficiency) of revenues over expenditures                                  | 12                       | 12              | 18               | 6                                                       |
| Other financing sources (uses):                                                    |                          |                 |                  |                                                         |
| Transfers in                                                                       |                          |                 |                  | -                                                       |
| Transfers out                                                                      | (17)                     | (17)            | (17)             | -                                                       |
| Total financing sources (uses)                                                     | (17)                     | (17)            | (17)             | -                                                       |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (5)                      | (5)             | 1                | 6                                                       |
| <b>Fund balances - beginning</b>                                                   | 1                        | 1               | 1                | -                                                       |
| <b>Fund balances - ending</b>                                                      | \$ (4)                   | \$ (4)          | \$ 2             | \$ 6                                                    |

# NONMAJOR ENTERPRISE FUNDS





## **NON-MAJOR ENTERPRISE FUNDS**

Enterprise funds are one of two types of proprietary funds used to report activities for which fees are charged to external users for full recovery, or more, of goods or services provided. They are exempt from legal compliance for budgetary control and follow commercial accounting principles for determination of operating, rather than budgetary, results. The County has established and uses the following enterprise funds:

### **PARKS DEPARTMENT**

This fund accounts for the operation of the County's parks and golf courses, including administrative, fiscal, and other support services to these operations. Revenues are derived primarily from rentals of facilities to operators and concessionaires and from fees charged to public users of the facilities. The fund also accounts for federal and state aid and County contributions in support of parks and recreational activities.

### **CHANNEL ISLANDS HARBOR EXPANSION**

This fund accounts for the expansion area of the Channel Islands Marina financed by loans from the State of California and coordinates growth of this facility. The commercial fishing enterprise activities funded by a federal loan is accounted for in this fund. The fund's revenues are derived from tenants in the expansion area. It is operated by the Channel Islands Harbor Enterprise Fund in conjunction with that fund's management of the remainder of the Marina facility.

### **CHANNEL ISLANDS HARBOR**

This fund accounts for the operation of the Channel Islands Marina, including administrative, fiscal, and other support to this operation, as well as to the Channel Islands Harbor Expansion Fund. Revenues are derived primarily from rentals of facilities to operators and concessionaires and from fees charged to the public users of the facility.

### **HEALTH CARE PLAN**

The Ventura County Health Care Plan is a self-insured group medical plan operated by the County Health Care Agency. Revenues are derived primarily from charges to participating employer groups for medical insurance.

### **OAK VIEW SCHOOL PRESERVATION AND MAINTENANCE**

This assessment district was established on August 2, 2002 for the costs of acquiring and rehabilitating the former Oak View School for use as a community park and family resource center. Acquisition and development costs of \$1.4 million are financed principally by tax exempt commercial paper and grant funds. Benefit assessments will fund annual debt service and maintenance and operation costs. The project is administered by the General Services Agency.

COUNTY OF VENTURA  
COMBINING STATEMENT OF FUND NET ASSETS  
NON-MAJOR ENTERPRISE FUNDS  
JUNE 30, 2004  
(In Thousands)

|                                                 | Total     | Parks<br>Department | Channel<br>Islands<br>Harbor<br>Expansion | Channel<br>Islands<br>Harbor | Health<br>Care Plan | Oak View<br>School |
|-------------------------------------------------|-----------|---------------------|-------------------------------------------|------------------------------|---------------------|--------------------|
| <b>ASSETS</b>                                   |           |                     |                                           |                              |                     |                    |
| Current assets:                                 |           |                     |                                           |                              |                     |                    |
| Cash and investments                            | \$ 13,260 | \$ 2,851            | \$ 5,147                                  | \$ 772                       | \$ 4,382            | \$ 108             |
| Receivables, net                                | 1,805     | 327                 | 207                                       | 661                          | 610                 | -                  |
| Due from other funds                            | 50        | 6                   | 16                                        | 12                           | 16                  | -                  |
| Inventories and other assets                    | 51        | -                   | -                                         | 32                           | 19                  | -                  |
| Restricted assets                               | 1,676     | -                   | 120                                       | 56                           | 1,500               | -                  |
| Total current assets                            | 16,842    | 3,184               | 5,490                                     | 1,533                        | 6,527               | 108                |
| Noncurrent assets:                              |           |                     |                                           |                              |                     |                    |
| Long-term receivables                           | 203       | 203                 | -                                         | -                            | -                   | -                  |
| Capital assets:                                 |           |                     |                                           |                              |                     |                    |
| Nondepreciable:                                 |           |                     |                                           |                              |                     |                    |
| Land                                            | 9,532     | 6,157               | -                                         | 2,154                        | -                   | 1,221              |
| Construction in progress                        | 1,673     | 569                 | 240                                       | 628                          | -                   | 236                |
| Depreciable:                                    |           |                     |                                           |                              |                     |                    |
| Land improvements                               | 4,650     | 3,585               | -                                         | 1,065                        | -                   | -                  |
| Structures and improvements                     | 15,065    | 5,648               | 8,143                                     | 1,274                        | -                   | -                  |
| Equipment/Vehicles                              | 1,673     | 336                 | 60                                        | 1,277                        | -                   | -                  |
| Less accumulated depreciation                   | (12,854)  | (5,800)             | (5,391)                                   | (1,663)                      | -                   | -                  |
| Total noncurrent assets                         | 19,942    | 10,698              | 3,052                                     | 4,735                        | -                   | 1,457              |
| Total assets                                    | \$ 36,784 | \$ 13,882           | \$ 8,542                                  | \$ 6,268                     | \$ 6,527            | \$ 1,565           |
| <b>LIABILITIES</b>                              |           |                     |                                           |                              |                     |                    |
| Current liabilities:                            |           |                     |                                           |                              |                     |                    |
| Accounts payable                                | \$ 590    | \$ 10               | \$ 210                                    | \$ 281                       | \$ 89               | \$ -               |
| Short term compensated absences                 | 132       | 42                  | -                                         | 90                           | -                   | -                  |
| Accrued liabilities                             | 1,134     | 57                  | -                                         | 257                          | 820                 | -                  |
| Due to other funds                              | 152       | 45                  | 19                                        | 57                           | 30                  | 1                  |
| Current portion of long-term liabilities        | 454       | 12                  | 356                                       | 30                           | -                   | 56                 |
| Total current liabilities                       | 2,462     | 166                 | 585                                       | 715                          | 939                 | 57                 |
| Noncurrent liabilities:                         |           |                     |                                           |                              |                     |                    |
| Deferred revenue                                | 1,032     | 538                 | 96                                        | 221                          | 177                 | -                  |
| Accrued insurance losses                        | 4,008     | -                   | -                                         | -                            | 4,008               | -                  |
| Advances from other funds                       | 236       | 236                 | -                                         | -                            | -                   | -                  |
| Long-term compensated absences                  | 182       | 65                  | -                                         | 117                          | -                   | -                  |
| Noncurrent portion of long-term liabilities     | 3,216     | 93                  | 1,910                                     | 360                          | -                   | 853                |
| Total noncurrent liabilities                    | 8,674     | 932                 | 2,006                                     | 698                          | 4,185               | 853                |
| Total liabilities                               | 11,136    | 1,098               | 2,591                                     | 1,413                        | 5,124               | 910                |
| <b>NET ASSETS</b>                               |           |                     |                                           |                              |                     |                    |
| Invested in capital assets, net of related debt | 16,245    | 10,390              | 906                                       | 4,401                        | -                   | 548                |
| Restricted                                      | 3,111     | 1,435               | 120                                       | 56                           | 1,500               | -                  |
| Unrestricted                                    | 6,292     | 959                 | 4,925                                     | 398                          | (97)                | 107                |
| Total net assets                                | 25,648    | 12,784              | 5,951                                     | 4,855                        | 1,403               | 655                |
| Total liabilities and net assets                | \$ 36,784 | \$ 13,882           | \$ 8,542                                  | \$ 6,268                     | \$ 6,527            | \$ 1,565           |

COUNTY OF VENTURA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NON-MAJOR ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
 (In Thousands)

|                                          | Total            | Parks<br>Department | Channel<br>Islands<br>Harbor<br>Expansion | Channel<br>Islands<br>Harbor | Health<br>Care Plan | Oak View<br>School |
|------------------------------------------|------------------|---------------------|-------------------------------------------|------------------------------|---------------------|--------------------|
| <b>Operating Revenues:</b>               |                  |                     |                                           |                              |                     |                    |
| Charges for services                     | \$ 20,853        | \$ 247              | \$ 34                                     | \$ 3,609                     | \$ 16,822           | \$ 141             |
| Rents and royalties                      | 6,618            | 1,904               | 1,619                                     | 3,086                        | -                   | 9                  |
| Miscellaneous                            | 10               | -                   | 10                                        | -                            | -                   | -                  |
| Total operating revenues                 | <u>27,481</u>    | <u>2,151</u>        | <u>1,663</u>                              | <u>6,695</u>                 | <u>16,822</u>       | <u>150</u>         |
| <b>Operating Expenses:</b>               |                  |                     |                                           |                              |                     |                    |
| Salaries and benefits                    | 2,972            | 927                 | -                                         | 2,045                        | -                   | -                  |
| Services and supplies                    | 8,184            | 1,024               | 964                                       | 4,217                        | 1,921               | 58                 |
| Insurance premiums                       | 510              | 38                  | -                                         | 163                          | 309                 | -                  |
| Utilities                                | 400              | 171                 | 5                                         | 224                          | -                   | -                  |
| Provision for insurance losses           | 14,626           | -                   | -                                         | -                            | 14,626              | -                  |
| Depreciation and amortization            | 766              | 357                 | 217                                       | 192                          | -                   | -                  |
| Total operating expenses                 | <u>27,458</u>    | <u>2,517</u>        | <u>1,186</u>                              | <u>6,841</u>                 | <u>16,856</u>       | <u>58</u>          |
| Operating income (loss)                  | <u>23</u>        | <u>(366)</u>        | <u>477</u>                                | <u>(146)</u>                 | <u>(34)</u>         | <u>92</u>          |
| <b>Nonoperating revenues (expenses):</b> |                  |                     |                                           |                              |                     |                    |
| State and federal grants                 | 457              | 434                 | -                                         | 23                           | -                   | -                  |
| Capital contributions                    | 53               | 53                  | -                                         | -                            | -                   | -                  |
| Loss from disposal of capital assets     | (109)            | (97)                | -                                         | (12)                         | -                   | -                  |
| Interest and investment income           | 110              | 10                  | 45                                        | 1                            | 52                  | 2                  |
| Interest expense                         | (179)            | (5)                 | (113)                                     | (17)                         | (35)                | (9)                |
| Total nonoperating revenues (expenses)   | <u>332</u>       | <u>395</u>          | <u>(68)</u>                               | <u>(5)</u>                   | <u>17</u>           | <u>(7)</u>         |
| Net income (loss) before transfers       | 355              | 29                  | 409                                       | (151)                        | (17)                | 85                 |
| Transfers in                             | 871              | 193                 | -                                         | 678                          | -                   | -                  |
| Transfers out                            | <u>(464)</u>     | <u>-</u>            | <u>(464)</u>                              | <u>-</u>                     | <u>-</u>            | <u>-</u>           |
| <b>Change in net assets</b>              | 762              | 222                 | (55)                                      | 527                          | (17)                | 85                 |
| Net assets - beginning                   | <u>24,886</u>    | <u>12,562</u>       | <u>6,006</u>                              | <u>4,328</u>                 | <u>1,420</u>        | <u>570</u>         |
| Net assets - ending                      | <u>\$ 25,648</u> | <u>\$ 12,784</u>    | <u>\$ 5,951</u>                           | <u>\$ 4,855</u>              | <u>\$ 1,403</u>     | <u>\$ 655</u>      |

COUNTY OF VENTURA  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                                      | Total           | Parks<br>Dept.  | Channel<br>Islands<br>Harbor<br>Expansion | Channel<br>Islands<br>Harbor | Health<br>Care Plan | Oak View<br>School |
|------------------------------------------------------------------------------------------------------|-----------------|-----------------|-------------------------------------------|------------------------------|---------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                          |                 |                 |                                           |                              |                     |                    |
| Cash receipts from customers                                                                         | \$12,757        | \$ 2,046        | \$ 1,680                                  | \$6,056                      | \$ 2,821            | \$ 154             |
| Cash receipts from other funds                                                                       | 14,764          | -               | -                                         | 660                          | 14,104              | -                  |
| Cash paid to suppliers for goods and services                                                        | (13,444)        | (380)           | (232)                                     | (4,267)                      | (8,510)             | (55)               |
| Cash paid to employees for services                                                                  | (2,943)         | (905)           | -                                         | (2,038)                      | -                   | -                  |
| Cash paid to other funds                                                                             | (7,652)         | (827)           | (657)                                     | (418)                        | (5,741)             | (9)                |
| Cash paid for insurance premiums                                                                     | (309)           | -               | -                                         | -                            | (309)               | -                  |
| Net cash provided by (used in) operating activities                                                  | <u>3,173</u>    | <u>(66)</u>     | <u>791</u>                                | <u>(7)</u>                   | <u>2,365</u>        | <u>90</u>          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                               |                 |                 |                                           |                              |                     |                    |
| Transfers received                                                                                   | 871             | 193             | -                                         | 678                          | -                   | -                  |
| Transfers paid                                                                                       | (464)           | -               | (464)                                     | -                            | -                   | -                  |
| Interest paid on non capital debt                                                                    | (35)            | -               | -                                         | -                            | (35)                | -                  |
| State and federal grant receipts                                                                     | 23              | -               | -                                         | 23                           | -                   | -                  |
| Net cash provided by (used in) noncapital financing activities                                       | <u>395</u>      | <u>193</u>      | <u>(464)</u>                              | <u>701</u>                   | <u>(35)</u>         | <u>-</u>           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                      |                 |                 |                                           |                              |                     |                    |
| Proceeds from capital debt                                                                           | 346             | -               | 92                                        | -                            | -                   | 254                |
| Proceeds from capital grants                                                                         | 435             | 435             | -                                         | -                            | -                   | -                  |
| Proceeds from capital contributions                                                                  | 53              | 53              | -                                         | -                            | -                   | -                  |
| Acquisition and construction of fixed assets                                                         | (931)           | (439)           | (50)                                      | (419)                        | -                   | (23)               |
| Principal paid on capital lease obligations                                                          | (12)            | (12)            | -                                         | -                            | -                   | -                  |
| Principal paid on capital debt                                                                       | (912)           | -               | (338)                                     | (30)                         | -                   | (544)              |
| Interest paid on capital debt                                                                        | (144)           | (5)             | (113)                                     | (17)                         | -                   | (9)                |
| Proceeds from sales of fixed assets                                                                  | 56              | -               | -                                         | 56                           | -                   | -                  |
| Net cash provided by (used in) capital and related financing activities                              | <u>(1,109)</u>  | <u>32</u>       | <u>(409)</u>                              | <u>(410)</u>                 | <u>-</u>            | <u>(322)</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                          |                 |                 |                                           |                              |                     |                    |
| Interest and investment income received                                                              | 108             | 10              | 48                                        | 1                            | 45                  | 4                  |
| Net cash provided by investing activities                                                            | <u>108</u>      | <u>10</u>       | <u>48</u>                                 | <u>1</u>                     | <u>45</u>           | <u>4</u>           |
| Net increase (decrease) in cash and cash equivalents                                                 | 2,567           | 169             | (34)                                      | 285                          | 2,375               | (228)              |
| Total cash and cash equivalents, beginning of the year                                               | 10,693          | 2,682           | 5,181                                     | 487                          | 2,007               | 336                |
| Total cash and cash equivalents, end of the year                                                     | <u>\$13,260</u> | <u>\$ 2,851</u> | <u>\$ 5,147</u>                           | <u>\$ 772</u>                | <u>\$ 4,382</u>     | <u>\$ 108</u>      |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                 |                 |                                           |                              |                     |                    |
| Operating income (loss)                                                                              | \$ 23           | \$ (366)        | \$ 477                                    | \$ (146)                     | \$ (34)             | \$ 92              |
| Adjustments to reconcile operating income (loss) to cash flows from operation activities:            |                 |                 |                                           |                              |                     |                    |
| Depreciation and amortization                                                                        | 766             | 357             | 217                                       | 192                          | -                   | -                  |
| Decrease (increase) in:                                                                              |                 |                 |                                           |                              |                     |                    |
| Accounts receivable                                                                                  | (136)           | (101)           | (21)                                      | (126)                        | 110                 | 2                  |
| Due from other funds                                                                                 | 57              | 19              | (1)                                       | 19                           | 20                  | -                  |
| Inventories and other assets                                                                         | (17)            | -               | -                                         | 2                            | (19)                | -                  |
| Increase (decrease) in:                                                                              |                 |                 |                                           |                              |                     |                    |
| Accounts payable                                                                                     | (282)           | (24)            | 101                                       | (250)                        | (104)               | (5)                |
| Accrued liabilities                                                                                  | 897             | 14              | -                                         | 145                          | 738                 | -                  |
| Due to other funds                                                                                   | 12              | 11              | (19)                                      | 9                            | 10                  | 1                  |
| Deferred revenue                                                                                     | 115             | (23)            | 37                                        | 128                          | (27)                | -                  |
| Accrued insurance loss expense                                                                       | 1,671           | -               | -                                         | -                            | 1,671               | -                  |
| Other liabilities                                                                                    | 33              | 33              | -                                         | -                            | -                   | -                  |
| Compensated absences                                                                                 | 34              | 14              | -                                         | 20                           | -                   | -                  |
| Net cash provided by (used in) operating activities                                                  | <u>\$ 3,173</u> | <u>\$ (66)</u>  | <u>\$ 791</u>                             | <u>\$ (7)</u>                | <u>\$ 2,365</u>     | <u>\$ 90</u>       |

# INTERNAL SERVICE FUNDS





## **INTERNAL SERVICE FUNDS**

Internal service funds are one of two types of proprietary funds used to centralize and allocate the cost of certain services provided on a cost-reimbursement basis primarily to County departments as well as to other government agencies. User charges are based upon standard rates calculated on an estimated cost recovery basis.

### **PUBLIC WORKS SERVICES**

This fund coordinates the County's property management activities and provides administrative, engineering, construction, and maintenance services to various County departments as well as other governmental units.

### **HEAVY EQUIPMENT**

This fund maintains the County's fleet of machinery and construction equipment and rents such equipment to County departments and other governmental units.

### **TRANSPORTATION**

This fund provides for the acquisition, maintenance, and replacement of County automobiles and light trucks, which it rents to various County departments and non-County entities.

### **GENERAL INSURANCE**

This fund administers certain commercial and County self-insurance programs, principally worker's compensation, medical malpractice, and general insurance. It also administers the hazardous materials program which provides for waste handling, disposal and reporting.

### **INFORMATION SYSTEMS**

This fund is responsible for the design, implementation and maintenance of the telecommunication network as well as the computer-assisted systems which support the information processing requirements of the County departments and certain non-County entities.

### **GENERAL SERVICES**

This fund's services include graphics, mailroom, stores, purchasing, security, maintenance, custodial, and landscaping provided to all County departments and certain non-County entities. The fund also administers the utilities program and the job order contract program, which contracts with outside vendors to provide maintenance projects for County departments.

### **EMPLOYEE BENEFITS INSURANCE**

This fund administers the County's commercial employees' group medical plan and disability income protection plan and the self-insured, wage-supplement, and unemployment insurance programs. The fund, operated by the Human Resources Department, collects premiums from County agencies, departments and employees, and makes benefit payments through outside settlement agents.

### **PERSONNEL SERVICES**

This fund administers the training services offered to County and non-County entities. Services include assessment of the requesting entity's needs as well as the development and delivery of comprehensive programs. This fund, operated by the Human Resources Department, provides these services at cost to both County departments and outside entities.

COUNTY OF VENTURA  
COMBINING STATEMENT OF FUND NET ASSETS  
INTERNAL SERVICE FUND  
JUNE 30, 2004  
(In Thousands)

|                                                 | Total      | Public<br>Works<br>Services | Heavy<br>Equipment | Transportation |
|-------------------------------------------------|------------|-----------------------------|--------------------|----------------|
| <b>ASSETS</b>                                   |            |                             |                    |                |
| Current assets:                                 |            |                             |                    |                |
| Cash and investments                            | \$ 81,783  | \$ 4,875                    | \$ 1,591           | \$ 1,719       |
| Receivables, net                                | 1,751      | 44                          | 5                  | 387            |
| Due from other funds                            | 10,113     | 4,305                       | 820                | 1,057          |
| Due from other governmental agencies            | 210        | 53                          | -                  | 5              |
| Inventories and other assets                    | 2,835      | -                           | -                  | 777            |
| Restricted assets                               | 451        | -                           | -                  | -              |
| Total current assets                            | 97,143     | 9,277                       | 2,416              | 3,945          |
| Noncurrent assets:                              |            |                             |                    |                |
| Long-term receivables                           | 419        | -                           | -                  | 419            |
| Capital assets:                                 |            |                             |                    |                |
| Nondepreciable:                                 |            |                             |                    |                |
| Land                                            | 64         | -                           | -                  | -              |
| Construction in progress                        | 55         | 55                          | -                  | -              |
| Depreciable:                                    |            |                             |                    |                |
| Structures and improvements                     | 4,828      | 563                         | 26                 | 318            |
| Equipment/Vehicles                              | 83,048     | 457                         | 12,560             | 33,907         |
| Less accumulated depreciation                   | (51,142)   | (551)                       | (5,697)            | (17,075)       |
| Total noncurrent assets                         | 37,272     | 524                         | 6,889              | 17,569         |
| Total assets                                    | \$ 134,415 | \$ 9,801                    | \$ 9,305           | \$ 21,514      |
| <b>LIABILITIES</b>                              |            |                             |                    |                |
| Current liabilities:                            |            |                             |                    |                |
| Accounts payable                                | \$ 3,880   | \$ 61                       | \$ 2               | \$ 519         |
| Short term compensated absences                 | 2,166      | 1,078                       | 43                 | 104            |
| Accrued liabilities                             | 1,818      | 767                         | 27                 | 63             |
| Due to other funds                              | 721        | 301                         | 96                 | 82             |
| Current portion of long-term liabilities        | 1,422      | -                           | -                  | 388            |
| Total current liabilities                       | 10,007     | 2,207                       | 168                | 1,156          |
| Noncurrent liabilities:                         |            |                             |                    |                |
| Deferred revenue                                | 1,187      | 1,053                       | -                  | -              |
| Accrued insurance losses                        | 60,684     | -                           | -                  | -              |
| Unamortized bond premium                        | 119        | -                           | -                  | -              |
| Long term compensated absences                  | 2,815      | 1,373                       | 40                 | 93             |
| Noncurrent portion of long-term liabilities     | 5,645      | -                           | -                  | 423            |
| Total noncurrent liabilities                    | 70,450     | 2,426                       | 40                 | 516            |
| Total liabilities                               | 80,457     | 4,633                       | 208                | 1,672          |
| <b>NET ASSETS</b>                               |            |                             |                    |                |
| Invested in capital assets, net of related debt | 31,048     | 524                         | 6,889              | 17,150         |
| Restricted                                      | 451        | -                           | -                  | -              |
| Unrestricted                                    | 22,459     | 4,644                       | 2,208              | 2,692          |
| Total net assets                                | 53,958     | 5,168                       | 9,097              | 19,842         |
| Total liabilities and net assets                | \$ 134,415 | \$ 9,801                    | \$ 9,305           | \$ 21,514      |

COUNTY OF VENTURA  
COMBINING STATEMENT OF FUND NET ASSETS  
INTERNAL SERVICE FUND  
JUNE 30, 2004  
(In Thousands)

| General Insurance | Information Systems | General Services | Employee Benefit Insurance | Personnel Services |                                                 |
|-------------------|---------------------|------------------|----------------------------|--------------------|-------------------------------------------------|
|                   |                     |                  |                            |                    | <b>ASSETS</b>                                   |
|                   |                     |                  |                            |                    | Current assets:                                 |
| \$ 53,986         | \$ 11,622           | \$ 6,017         | \$ 1,827                   | \$ 146             | Cash and investments                            |
| 893               | 159                 | 45               | 157                        | 61                 | Receivables, net                                |
| 1,154             | 1,472               | 1,221            | 5                          | 79                 | Due from other funds                            |
| -                 | 57                  | 95               | -                          | -                  | Due from other governmental agencies            |
| 774               | 771                 | 513              | -                          | -                  | Inventories and other assets                    |
| -                 | -                   | 451              | -                          | -                  | Restricted assets                               |
| 56,807            | 14,081              | 8,342            | 1,989                      | 286                | Total current assets                            |
| -                 | -                   | -                | -                          | -                  | Noncurrent assets:                              |
| -                 | -                   | -                | -                          | -                  | Long-term receivables                           |
| -                 | 64                  | -                | -                          | -                  | Capital assets:                                 |
| -                 | -                   | -                | -                          | -                  | Nondepreciable:                                 |
| -                 | -                   | -                | -                          | -                  | Land                                            |
| -                 | -                   | -                | -                          | -                  | Construction in progress                        |
| -                 | 1,650               | 2,271            | -                          | -                  | Depreciable:                                    |
| 74                | 31,070              | 4,969            | 11                         | -                  | Structures and improvements                     |
| (59)              | (25,962)            | (1,787)          | (11)                       | -                  | Equipment/Vehicles                              |
| 15                | 6,822               | 5,453            | -                          | -                  | Less accumulated depreciation                   |
| \$ 56,822         | \$ 20,903           | \$ 13,795        | \$ 1,989                   | \$ 286             | Total noncurrent assets                         |
|                   |                     |                  |                            |                    | Total assets                                    |
|                   |                     |                  |                            |                    | <b>LIABILITIES</b>                              |
|                   |                     |                  |                            |                    | Current liabilities:                            |
| \$ 132            | \$ 511              | \$ 2,548         | \$ 103                     | \$ 4               | Accounts payable                                |
| 61                | 448                 | 388              | 40                         | 4                  | Short term compensated absences                 |
| 165               | 414                 | 321              | 48                         | 13                 | Accrued liabilities                             |
| 133               | 14                  | 84               | 9                          | 2                  | Due to other funds                              |
| -                 | 804                 | 230              | -                          | -                  | Current portion of long-term liabilities        |
| 491               | 2,191               | 3,571            | 200                        | 23                 | Total current liabilities                       |
| 88                | 46                  | -                | -                          | -                  | Noncurrent liabilities:                         |
| 60,478            | -                   | -                | 206                        | -                  | Deferred revenue                                |
| -                 | -                   | 119              | -                          | -                  | Accrued insurance losses                        |
| 43                | 614                 | 590              | 53                         | 9                  | Unamortized bond premium                        |
| -                 | 1,507               | 3,715            | -                          | -                  | Long term compensated absences                  |
| 60,609            | 2,167               | 4,424            | 259                        | 9                  | Noncurrent portion of long-term liabilities     |
| 61,100            | 4,358               | 7,995            | 459                        | 32                 | Total noncurrent liabilities                    |
|                   |                     |                  |                            |                    | Total liabilities                               |
|                   |                     |                  |                            |                    | <b>NET ASSETS</b>                               |
| 15                | 4,511               | 1,959            | -                          | -                  | Invested in capital assets, net of related debt |
| -                 | -                   | 451              | -                          | -                  | Restricted                                      |
| (4,293)           | 12,034              | 3,390            | 1,530                      | 254                | Unrestricted                                    |
| (4,278)           | 16,545              | 5,800            | 1,530                      | 254                | Total net assets                                |
| \$ 56,822         | \$ 20,903           | \$ 13,795        | \$ 1,989                   | \$ 286             | Total liabilities and net assets                |

COUNTY OF VENTURA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
 (In Thousands)

|                                             | Total            | Public<br>Works<br>Services | Heavy<br>Equipment | Transportation   |
|---------------------------------------------|------------------|-----------------------------|--------------------|------------------|
| <b>Operating Revenues:</b>                  |                  |                             |                    |                  |
| Charges for services                        | \$ 156,574       | \$ 33,586                   | \$ 2,843           | \$ 8,882         |
| Rents and royalties                         | 10               | -                           | -                  | -                |
| Miscellaneous                               | 42               | -                           | -                  | -                |
| Total operating revenues                    | <u>156,626</u>   | <u>33,586</u>               | <u>2,843</u>       | <u>8,882</u>     |
| <b>Operating Expenses:</b>                  |                  |                             |                    |                  |
| Salaries and benefits                       | 57,477           | 26,105                      | 833                | 2,178            |
| Services and supplies                       | 52,560           | 5,033                       | 1,549              | 4,791            |
| Insurance premiums                          | 8,845            | 100                         | 7                  | 50               |
| Provision for insurance losses              | 32,245           | -                           | -                  | -                |
| Depreciation and amortization               | 7,825            | 44                          | 648                | 3,630            |
| Total operating expenses                    | <u>158,952</u>   | <u>31,282</u>               | <u>3,037</u>       | <u>10,649</u>    |
| Operating income (loss)                     | <u>(2,326)</u>   | <u>2,304</u>                | <u>(194)</u>       | <u>(1,767)</u>   |
| <b>Nonoperating revenues (expenses):</b>    |                  |                             |                    |                  |
| State and federal grants                    | 72               | -                           | -                  | -                |
| Gain (loss) from disposal of capital assets | (213)            | -                           | 44                 | (255)            |
| Interest and investment income              | 441              | 38                          | 20                 | 6                |
| Interest expense                            | (218)            | -                           | -                  | -                |
| Total nonoperating revenues (expenses)      | <u>82</u>        | <u>38</u>                   | <u>64</u>          | <u>(249)</u>     |
| Net income (loss) before transfers          | <u>(2,244)</u>   | <u>2,342</u>                | <u>(130)</u>       | <u>(2,016)</u>   |
| Transfers in                                | 1,967            | 12                          | 501                | 1,173            |
| Transfers out                               | <u>(257)</u>     | <u>(174)</u>                | <u>-</u>           | <u>-</u>         |
| <b>Change in net assets</b>                 | <u>(534)</u>     | <u>2,180</u>                | <u>371</u>         | <u>(843)</u>     |
| Net assets - beginning                      | <u>54,492</u>    | <u>2,988</u>                | <u>8,726</u>       | <u>20,685</u>    |
| Net assets - ending                         | <u>\$ 53,958</u> | <u>\$ 5,168</u>             | <u>\$ 9,097</u>    | <u>\$ 19,842</u> |

COUNTY OF VENTURA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| General Insurance | Information Systems | General Services | Employee Benefits Insurance | Personnel Services |                                             |
|-------------------|---------------------|------------------|-----------------------------|--------------------|---------------------------------------------|
| \$ 37,541         | \$ 30,275           | \$ 38,215        | \$ 4,559                    | \$ 673             | <b>Operating Revenues:</b>                  |
| -                 | -                   | 10               | -                           | -                  | Charges for services                        |
| -                 | -                   | -                | 42                          | -                  | Rents and royalties                         |
| 37,541            | 30,275              | 38,225           | 4,601                       | 673                | Miscellaneous                               |
|                   |                     |                  |                             |                    | Total operating revenues                    |
|                   |                     |                  |                             |                    | <b>Operating Expenses:</b>                  |
| 1,314             | 14,243              | 10,912           | 1,404                       | 488                | Salaries and benefits                       |
| 2,265             | 13,097              | 25,052           | 522                         | 251                | Services and supplies                       |
| 5,255             | 100                 | 200              | 3,130                       | 3                  | Insurance premiums                          |
| 32,196            | -                   | -                | 49                          | -                  | Provision for insurance losses              |
| 9                 | 3,082               | 412              | -                           | -                  | Depreciation and amortization               |
| 41,039            | 30,522              | 36,576           | 5,105                       | 742                | Total operating expenses                    |
| (3,498)           | (247)               | 1,649            | (504)                       | (69)               | Operating income (loss)                     |
|                   |                     |                  |                             |                    | <b>Nonoperating revenues (expenses):</b>    |
| -                 | 40                  | 32               | -                           | -                  | State and federal grants                    |
| (3)               | 1                   | -                | -                           | -                  | Gain (loss) from disposal of capital assets |
| 269               | 79                  | 12               | 13                          | 4                  | Interest and investment income              |
| -                 | (30)                | (188)            | -                           | -                  | Interest expense                            |
| 266               | 90                  | (144)            | 13                          | 4                  | Total nonoperating revenues (expenses)      |
| (3,232)           | (157)               | 1,505            | (491)                       | (65)               | Net income (loss) before transfers          |
| -                 | 225                 | -                | -                           | 56                 | Transfers in                                |
| (56)              | -                   | (27)             | -                           | -                  | Transfers out                               |
| (3,288)           | 68                  | 1,478            | (491)                       | (9)                | <b>Change in net assets</b>                 |
| (990)             | 16,477              | 4,322            | 2,021                       | 263                | Net assets - beginning                      |
| \$ (4,278)        | \$ 16,545           | \$ 5,800         | \$ 1,530                    | \$ 254             | Net assets - ending                         |

COUNTY OF VENTURA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                                              | Total            | Public<br>Works<br>Services | Heavy<br>Equipment | Transportation  |
|----------------------------------------------------------------------------------------------|------------------|-----------------------------|--------------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                  |                  |                             |                    |                 |
| Cash receipts from customers                                                                 | \$ 16,352        | \$ 194                      | \$ 28              | \$ 471          |
| Cash receipts from other funds                                                               | 140,133          | 33,192                      | 3,037              | 8,629           |
| Cash paid to suppliers for goods and services                                                | (42,603)         | (1,614)                     | (303)              | (3,689)         |
| Cash paid to employees for services                                                          | (57,110)         | (25,893)                    | (819)              | (2,150)         |
| Cash paid to other funds                                                                     | (14,558)         | (3,768)                     | (1,214)            | (1,554)         |
| Cash paid for insurance premiums                                                             | (5,267)          | -                           | -                  | -               |
| Cash paid for judgments and claims                                                           | (11,349)         | -                           | -                  | -               |
| Net cash provided by (used in) operating activities                                          | <u>25,598</u>    | <u>2,111</u>                | <u>729</u>         | <u>1,707</u>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                       |                  |                             |                    |                 |
| Transfers received                                                                           | 794              | 12                          | 501                | -               |
| Transfers paid                                                                               | (257)            | (174)                       | -                  | -               |
| State and federal grant receipts                                                             | 72               | -                           | -                  | -               |
| Net cash provided by (used in) noncapital financing activities                               | <u>609</u>       | <u>(162)</u>                | <u>501</u>         | <u>-</u>        |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>                          |                  |                             |                    |                 |
| Proceeds from capital contributions                                                          | 876              | 65                          | -                  | 811             |
| Acquisition and construction of fixed assets                                                 | (7,302)          | (111)                       | (1,803)            | (3,313)         |
| Principal paid on capital debt                                                               | (1,022)          | -                           | -                  | -               |
| Interest paid on capital debt                                                                | (224)            | -                           | -                  | -               |
| Proceeds from sales of fixed assets                                                          | 537              | -                           | 186                | 350             |
| Net cash used in capital and related financing activities                                    | <u>(7,135)</u>   | <u>(46)</u>                 | <u>(1,617)</u>     | <u>(2,152)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                  |                  |                             |                    |                 |
| Interest and investment income received                                                      | 431              | 37                          | 21                 | 9               |
| Net cash provided by investing activities                                                    | <u>431</u>       | <u>37</u>                   | <u>21</u>          | <u>9</u>        |
| Net increase (decrease) in cash and cash equivalents                                         | 19,503           | 1,940                       | (366)              | (436)           |
| Total cash and cash equivalents, beginning of the year                                       | <u>62,280</u>    | <u>2,935</u>                | <u>1,957</u>       | <u>2,155</u>    |
| Total cash and cash equivalents, end of the year                                             | <u>\$ 81,783</u> | <u>\$ 4,875</u>             | <u>\$ 1,591</u>    | <u>\$ 1,719</u> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                  |                  |                             |                    |                 |
| Operating income (loss)                                                                      | \$ (2,326)       | \$ 2,304                    | \$ (194)           | \$ (1,767)      |
| Adjustments to reconcile operating income (loss)<br>to cash flows from operation activities: |                  |                             |                    |                 |
| Depreciation and amortization                                                                | 7,825            | 44                          | 648                | 3,630           |
| Decrease (increase) in:                                                                      |                  |                             |                    |                 |
| Accounts receivable                                                                          | (466)            | 68                          | -                  | 236             |
| Due from other funds                                                                         | 266              | (214)                       | 223                | (19)            |
| Inventories and other assets                                                                 | (652)            | -                           | -                  | (463)           |
| Increase (decrease) in:                                                                      |                  |                             |                    |                 |
| Accounts payable                                                                             | 326              | (68)                        | (12)               | 284             |
| Accrued liabilities                                                                          | 177              | (40)                        | 8                  | 14              |
| Due to other funds                                                                           | (458)            | (182)                       | 50                 | 7               |
| Deferred revenue                                                                             | 286              | 184                         | -                  | -               |
| Accrued insurance loss expense                                                               | 20,904           | -                           | -                  | -               |
| Other liabilities                                                                            | (229)            | -                           | -                  | (229)           |
| Compensated absences                                                                         | (55)             | 15                          | 6                  | 14              |
| Net cash provided by (used in) operating activities                                          | <u>\$ 25,598</u> | <u>\$ 2,111</u>             | <u>\$ 729</u>      | <u>\$ 1,707</u> |

COUNTY OF VENTURA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

| General Insurance | Information Systems | General Services | Employee Benefits Insurance | Personnel Services |
|-------------------|---------------------|------------------|-----------------------------|--------------------|
| \$ 497            | \$ 1,905            | \$ 9,257         | \$ 3,791                    | \$ 209             |
| 35,584            | 28,977              | 29,400           | 773                         | 541                |
| (1,886)           | (11,391)            | (21,457)         | (2,088)                     | (175)              |
| (1,404)           | (14,216)            | (10,679)         | (1,406)                     | (543)              |
| (687)             | (2,045)             | (3,642)          | (1,560)                     | (88)               |
| (5,244)           | -                   | -                | (23)                        | -                  |
| (11,349)          | -                   | -                | -                           | -                  |
| <u>15,511</u>     | <u>3,230</u>        | <u>2,879</u>     | <u>(513)</u>                | <u>(56)</u>        |

**CASH FLOWS FROM OPERATING ACTIVITIES**

|                                                     |
|-----------------------------------------------------|
| Cash receipts from customers                        |
| Cash receipts from other funds                      |
| Cash paid to suppliers for goods and services       |
| Cash paid to employees for services                 |
| Cash paid to other funds                            |
| Cash paid for insurance premiums                    |
| Cash paid for judgments and claims                  |
| Net cash provided by (used in) operating activities |

|             |            |          |          |           |
|-------------|------------|----------|----------|-----------|
| -           | 225        | -        | -        | 56        |
| (56)        | -          | (27)     | -        | -         |
| -           | 40         | 32       | -        | -         |
| <u>(56)</u> | <u>265</u> | <u>5</u> | <u>-</u> | <u>56</u> |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

|                                                                |
|----------------------------------------------------------------|
| Transfers received                                             |
| Transfers paid                                                 |
| State and federal grant receipts                               |
| Net cash provided by (used in) noncapital financing activities |

|          |                |              |          |          |
|----------|----------------|--------------|----------|----------|
| -        | -              | -            | -        | -        |
| -        | (1,845)        | (230)        | -        | -        |
| -        | (802)          | (220)        | -        | -        |
| -        | (30)           | (194)        | -        | -        |
| -        | 1              | -            | -        | -        |
| <u>-</u> | <u>(2,676)</u> | <u>(644)</u> | <u>-</u> | <u>-</u> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|                                                                         |
|-------------------------------------------------------------------------|
| Proceeds from capital contributions                                     |
| Acquisition and construction of fixed assets                            |
| Principal paid on capital debt                                          |
| Interest paid on capital debt                                           |
| Proceeds from sales of fixed assets                                     |
| Net cash provided by (used in) capital and related financing activities |

|            |           |           |           |          |
|------------|-----------|-----------|-----------|----------|
| 246        | 83        | 16        | 15        | 4        |
| <u>246</u> | <u>83</u> | <u>16</u> | <u>15</u> | <u>4</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                                           |
|-------------------------------------------|
| Interest and investment income received   |
| Net cash provided by investing activities |

|               |               |              |              |            |
|---------------|---------------|--------------|--------------|------------|
| 15,701        | 902           | 2,256        | (498)        | 4          |
| <u>38,285</u> | <u>10,720</u> | <u>3,761</u> | <u>2,325</u> | <u>142</u> |

|                                                        |
|--------------------------------------------------------|
| Net increase (decrease) in cash and cash equivalents   |
| Total cash and cash equivalents, beginning of the year |

|                 |                  |                 |                 |               |
|-----------------|------------------|-----------------|-----------------|---------------|
| <u>\$53,986</u> | <u>\$ 11,622</u> | <u>\$ 6,017</u> | <u>\$ 1,827</u> | <u>\$ 146</u> |
|-----------------|------------------|-----------------|-----------------|---------------|

|                                                  |
|--------------------------------------------------|
| Total cash and cash equivalents, end of the year |
|--------------------------------------------------|

**CASH FLOWS FROM OPERATING ACTIVITIES**

|                 |                 |                 |                 |                |
|-----------------|-----------------|-----------------|-----------------|----------------|
| \$(3,498)       | \$ (247)        | \$ 1,649        | \$ (504)        | \$ (69)        |
| 9               | 3,082           | 412             | -               | -              |
| (749)           | 13              | 10              | (39)            | (5)            |
| (797)           | 575             | 414             | 2               | 82             |
| (88)            | (18)            | (83)            | -               | -              |
| (111)           | (142)           | 311             | 71              | (7)            |
| 5               | 87              | 88              | 18              | (3)            |
| (100)           | (66)            | (67)            | (98)            | (2)            |
| 88              | 14              | -               | -               | -              |
| 20,847          | -               | -               | 57              | -              |
| -               | -               | -               | -               | -              |
| (95)            | (68)            | 145             | (20)            | (52)           |
| <u>\$15,511</u> | <u>\$ 3,230</u> | <u>\$ 2,879</u> | <u>\$ (513)</u> | <u>\$ (56)</u> |

|                                                                                           |
|-------------------------------------------------------------------------------------------|
| Operating income (loss)                                                                   |
| Adjustments to reconcile operating income (loss) to cash flows from operation activities: |
| Depreciation and amortization                                                             |
| Decrease (increase) in:                                                                   |
| Accounts receivable                                                                       |
| Due from other funds                                                                      |
| Inventories and other assets                                                              |
| Increase (decrease) in:                                                                   |
| Accounts payable                                                                          |
| Accrued liabilities                                                                       |
| Due to other funds                                                                        |
| Deferred revenue                                                                          |
| Accrued insurance loss expense                                                            |
| Other liabilities                                                                         |
| Compensated absences                                                                      |
| Net cash provided by (used in) operating activities                                       |

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# FIDUCIARY FUNDS





## **FIDUCIARY FUNDS**

Fiduciary funds are custodial in nature and are used to account for assets and liabilities held in a trustee or agency capacity for others. Therefore, these resources cannot be used to support the ongoing activities of the County.

### **PENSION TRUST**

#### **VCERA TRUST**

This fund is used to account for the financial operations of the Ventura County Employees' Retirement Association under the 1937 Retirement Benefit Act.

#### **SUPPLEMENTAL RETIREMENT PLAN TRUST**

This fund is used to account for the supplemental retirement plan trust fund established for extra-help and other employees whose employment does not otherwise entitle them to retirement under the 1937 Act VCERA plan.

### **INVESTMENT TRUST**

The County Treasurer operates a single investment pool and provides fiscal services for various other governmental entities, such as special districts and school districts. This fund represents the external portion of the pool with the assets, primarily cash and investments, of these entities in the Treasurer's custody and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

### **AGENCY**

Agency funds account for assets held for distribution by the County as an agent for various other funds and local governments.

COUNTY OF VENTURA  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 JUNE 30, 2004  
 (In Thousands)

|                                               | Total               | VCERA<br>Pension<br>Trust | Supplemental<br>Retirement<br>Plan |
|-----------------------------------------------|---------------------|---------------------------|------------------------------------|
| <b><u>ASSETS</u></b>                          |                     |                           |                                    |
| Cash and investments                          | \$ 2,506,038        | \$ 2,498,038              | \$ 8,000                           |
| Receivables (net)                             |                     |                           |                                    |
| Employer Contributions                        | 780                 | 486                       | 294                                |
| Employee Contributions                        | 792                 | 792                       | -                                  |
| Interest and dividends                        | 2,683               | 2,682                     | 1                                  |
| Security sales                                | 94,103              | 94,103                    | -                                  |
| Miscellaneous                                 | 482                 | 482                       | -                                  |
| Due from other governmental agencies          | 3                   | 2                         | 1                                  |
| Total assets                                  | <u>2,604,881</u>    | <u>2,596,585</u>          | <u>8,296</u>                       |
| <b><u>LIABILITIES</u></b>                     |                     |                           |                                    |
| Accounts payable                              | 2,524               | 2,515                     | 9                                  |
| Due to other governmental agencies            | 126                 | 13                        | 113                                |
| Security deposits payable                     | 180                 | 180                       | -                                  |
| Security purchases payable                    | 211,464             | 211,464                   | -                                  |
| Collateral held for securities lent           | 159,639             | 159,639                   | -                                  |
| Total liabilities                             | <u>373,933</u>      | <u>373,811</u>            | <u>122</u>                         |
| <b><u>NET ASSETS</u></b>                      |                     |                           |                                    |
| Net assets held in trust for pension benefits | <u>\$ 2,230,948</u> | <u>\$ 2,222,774</u>       | <u>\$ 8,174</u>                    |

COUNTY OF VENTURA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
 (In Thousands)

|                                    | Total                      | VCERA<br>Pension<br>Trust  | Supplemental<br>Retirement<br>Plan |
|------------------------------------|----------------------------|----------------------------|------------------------------------|
| <b>ADDITIONS</b>                   |                            |                            |                                    |
| Contributions:                     |                            |                            |                                    |
| Employer:                          |                            |                            |                                    |
| Annual actuarially determined      | \$ 10,661                  | \$ 10,071                  | \$ 590                             |
| Other                              | 5,637                      | 5,637                      | -                                  |
| Employee contributions             | 29,191                     | 28,895                     | 296                                |
| Total contributions                | <u>45,489</u>              | <u>44,603</u>              | <u>886</u>                         |
| Net investment income:             |                            |                            |                                    |
| Net appreciation (depreciation) in |                            |                            |                                    |
| fair value of investments          | 300,825                    | 299,872                    | 953                                |
| Interest income                    | 13,024                     | 13,017                     | 7                                  |
| Dividend income                    | 5,235                      | 5,235                      | -                                  |
| Securities lending income          | 1,288                      | 1,288                      | -                                  |
| Real estate income, net            | 5,411                      | 5,411                      | -                                  |
| Investment expense                 | (6,600)                    | (6,600)                    | -                                  |
| Net investment income              | <u>319,183</u>             | <u>318,223</u>             | <u>960</u>                         |
| Total additions                    | <u>364,672</u>             | <u>362,826</u>             | <u>1,846</u>                       |
| <b>DEDUCTIONS</b>                  |                            |                            |                                    |
| Benefit payments                   | 101,462                    | 101,108                    | 354                                |
| Member refunds                     | 3,080                      | 3,080                      | -                                  |
| Administrative expenses            | 2,913                      | 2,761                      | 152                                |
| Legal expenses                     | 13                         | 13                         | -                                  |
| Total deductions                   | <u>107,468</u>             | <u>106,962</u>             | <u>506</u>                         |
| Change in net assets               | 257,204                    | 255,864                    | 1,340                              |
| Net assets - beginning             | <u>1,973,744</u>           | <u>1,966,910</u>           | <u>6,834</u>                       |
| Net assets - ending                | <u><u>\$ 2,230,948</u></u> | <u><u>\$ 2,222,774</u></u> | <u><u>\$ 8,174</u></u>             |

COUNTY OF VENTURA  
SCHEDULE OF FIDUCIARY NET ASSETS  
INVESTMENT TRUST FUND  
JUNE 30, 2004  
(In Thousands)

|                                                              | Total             | Special<br>Districts<br>under<br>Local Board | School<br>Districts | Independent<br>Special<br>Districts |
|--------------------------------------------------------------|-------------------|----------------------------------------------|---------------------|-------------------------------------|
| <b><u>ASSETS</u></b>                                         |                   |                                              |                     |                                     |
| Cash and investments                                         | \$ 650,609        | \$ 55,140                                    | \$ 556,077          | \$ 39,392                           |
| Accounts Receivables                                         | 5,813             | 573                                          | 1,781               | 3,459                               |
| Due from other governmental agencies                         | 697               | 62                                           | 623                 | 12                                  |
| Total assets                                                 | <u>657,119</u>    | <u>55,775</u>                                | <u>558,481</u>      | <u>42,863</u>                       |
| <b><u>LIABILITIES</u></b>                                    |                   |                                              |                     |                                     |
| Accounts payable                                             | 5,838             | 330                                          | -                   | 5,508                               |
| Due to other governmental agencies                           | 208               | 62                                           | 7                   | 139                                 |
| Total liabilities                                            | <u>6,046</u>      | <u>392</u>                                   | <u>7</u>            | <u>5,647</u>                        |
| <b><u>NET ASSETS</u></b>                                     |                   |                                              |                     |                                     |
| Net assets held in trust for investment<br>pool participants | <u>\$ 651,073</u> | <u>\$ 55,383</u>                             | <u>\$ 558,474</u>   | <u>\$ 37,216</u>                    |

COUNTY OF VENTURA  
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS  
INVESTMENT TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

|                                                                 | Total             | Special<br>Districts<br>under<br>Local Board | School<br>Districts | Independent<br>Special<br>Districts |
|-----------------------------------------------------------------|-------------------|----------------------------------------------|---------------------|-------------------------------------|
| <b>ADDITIONS</b>                                                |                   |                                              |                     |                                     |
| Contributions:                                                  |                   |                                              |                     |                                     |
| Contributions to investment pool                                | \$ 2,145,837      | \$ 149,936                                   | \$ 1,814,325        | \$ 181,576                          |
| Total contributions                                             | <u>2,145,837</u>  | <u>149,936</u>                               | <u>1,814,325</u>    | <u>181,576</u>                      |
| Net investment income:                                          |                   |                                              |                     |                                     |
| Net appreciation (depreciation) in<br>fair value of investments | (6,137)           | (569)                                        | (5,219)             | (349)                               |
| Interest income                                                 | <u>10,984</u>     | <u>922</u>                                   | <u>9,400</u>        | <u>662</u>                          |
| Net investment income (loss)                                    | <u>4,847</u>      | <u>353</u>                                   | <u>4,181</u>        | <u>313</u>                          |
| Total additions                                                 | <u>2,150,684</u>  | <u>150,289</u>                               | <u>1,818,506</u>    | <u>181,889</u>                      |
| <b>DEDUCTIONS</b>                                               |                   |                                              |                     |                                     |
| Distribution from investment pool                               | <u>2,197,534</u>  | <u>167,189</u>                               | <u>1,851,691</u>    | <u>178,654</u>                      |
| Total deductions                                                | <u>2,197,534</u>  | <u>167,189</u>                               | <u>1,851,691</u>    | <u>178,654</u>                      |
| Change in net assets                                            | (46,850)          | (16,900)                                     | (33,185)            | 3,235                               |
| Net assets - beginning                                          | <u>697,923</u>    | <u>72,283</u>                                | <u>591,659</u>      | <u>33,981</u>                       |
| Net assets - ending                                             | <u>\$ 651,073</u> | <u>\$ 55,383</u>                             | <u>\$ 558,474</u>   | <u>\$ 37,216</u>                    |

COUNTY OF VENTURA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
 (In Thousands)

|                                      | Balance<br>June 30, 2003 | Additions         | Deletions         | Balance<br>June 30, 2004 |
|--------------------------------------|--------------------------|-------------------|-------------------|--------------------------|
| <b>COUNTY FUNDS</b>                  |                          |                   |                   |                          |
| <b>ASSETS</b>                        |                          |                   |                   |                          |
| Cash and investments                 | \$ 5,044                 | \$ 164,935        | \$ 164,071        | \$ 5,908                 |
| Interest and dividends               | 11                       | 11                | 11                | 11                       |
| Due from other governmental agencies | 3                        | 3                 | 3                 | 3                        |
| Total assets                         | <u>\$ 5,058</u>          | <u>\$ 164,949</u> | <u>\$ 164,085</u> | <u>\$ 5,922</u>          |
| <b>LIABILITIES</b>                   |                          |                   |                   |                          |
| Accrued liabilities                  | \$ 5,058                 | \$ 164,994        | \$ 164,130        | \$ 5,922                 |
| Total liabilities                    | <u>\$ 5,058</u>          | <u>\$ 164,994</u> | <u>\$ 164,130</u> | <u>\$ 5,922</u>          |

CAPITAL ASSETS USED  
IN THE OPERATION  
OF GOVERNMENTAL FUNDS





## **CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

The following schedules present only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY SOURCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)

Governmental funds capital assets:

|                                         |                    |
|-----------------------------------------|--------------------|
| Land and improvements                   | \$ 215,468         |
| Structures and improvements             | 349,431            |
| Equipment                               | 72,128             |
| Vehicles                                | 23,316             |
| Infrastructure                          | 348,999            |
| Construction in progress                | 66,956             |
| Total governmental funds capital assets | <u>\$1,076,298</u> |

Investments in governmental funds capital assets by source:

|                                         |                    |
|-----------------------------------------|--------------------|
| Federal grants and entitlements         | \$ 36,949          |
| State grants                            | 2,417              |
| Grants from other governmental units    | 6,289              |
| General fund revenues                   | 389,808            |
| Special revenue fund revenues           | 362,736            |
| Donations                               | 278,099            |
| Total governmental funds capital assets | <u>\$1,076,298</u> |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2004  
(In Thousands)

| Function and Activity                          | Total              | Land<br>and<br>Improvements | Structures        | Equipment        | Vehicles        | Infrastructure    | Construction<br>in<br>Progress |
|------------------------------------------------|--------------------|-----------------------------|-------------------|------------------|-----------------|-------------------|--------------------------------|
| General government:                            |                    |                             |                   |                  |                 |                   |                                |
| General administration                         | \$ 124,282         | \$ 3,626                    | \$ 104,846        | \$ 15,594        | \$ 82           | \$ -              | \$ 134                         |
| Property management                            | 12,127             | 103                         | 2,223             | 9,713            | 33              | -                 | 55                             |
| Plant acquisition                              | 18,919             | -                           | -                 | -                | -               | -                 | 18,919                         |
| Other                                          | 7,714              | 1,508                       | -                 | 38               | -               | -                 | 6,168                          |
| Total general government                       | <u>163,042</u>     | <u>5,237</u>                | <u>107,069</u>    | <u>25,345</u>    | <u>115</u>      | <u>-</u>          | <u>25,276</u>                  |
| Public protection:                             |                    |                             |                   |                  |                 |                   |                                |
| Judicial                                       | 14,817             | -                           | 11,649            | 2,567            | -               | -                 | 601                            |
| Police protection                              | 44,460             | 54                          | 15,604            | 26,942           | 97              | -                 | 1,763                          |
| Detention and correction                       | 168,750            | 4,901                       | 157,058           | 6,666            | 125             | -                 | -                              |
| Fire                                           | 61,108             | 5,416                       | 25,068            | 4,462            | 22,740          | -                 | 3,422                          |
| Flood control and soil &<br>water conservation | 242,196            | 5,235                       | 159               | 542              | -               | 217,108           | 19,152                         |
| Protective inspection                          | 119                | 5                           | 85                | 29               | -               | -                 | -                              |
| Other                                          | 19,922             | 136                         | 17,997            | 1,680            | 43              | -                 | 66                             |
| Total public protection                        | <u>551,372</u>     | <u>15,747</u>               | <u>227,620</u>    | <u>42,888</u>    | <u>23,005</u>   | <u>217,108</u>    | <u>25,004</u>                  |
| Public ways and facilities                     | <u>344,272</u>     | <u>194,071</u>              | <u>2,151</u>      | <u>63</u>        | <u>-</u>        | <u>131,891</u>    | <u>16,096</u>                  |
| Health and sanitation services                 | <u>5,271</u>       | <u>179</u>                  | <u>2,226</u>      | <u>2,091</u>     | <u>196</u>      | <u>-</u>          | <u>579</u>                     |
| Public assistance:                             |                    |                             |                   |                  |                 |                   |                                |
| Administration                                 | 707                | -                           | 53                | 654              | -               | -                 | -                              |
| Other                                          | 2,429              | -                           | 2,022             | 407              | -               | -                 | -                              |
| Total public assistance                        | <u>3,136</u>       | <u>-</u>                    | <u>2,075</u>      | <u>1,061</u>     | <u>-</u>        | <u>-</u>          | <u>-</u>                       |
| Education:                                     | <u>9,205</u>       | <u>234</u>                  | <u>8,290</u>      | <u>680</u>       | <u>-</u>        | <u>-</u>          | <u>1</u>                       |
| Total capital assets allocated<br>to functions | <u>\$1,076,298</u> | <u>\$ 215,468</u>           | <u>\$ 349,431</u> | <u>\$ 72,128</u> | <u>\$23,316</u> | <u>\$ 348,999</u> | <u>\$ 66,956</u>               |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
JUNE 30, 2004  
(In Thousands)

| Function and Activity                        | Balance<br>June 30, 2003 | Additions         | Deletions        | Net<br>Transfers | Balance<br>June 30, 2004 |
|----------------------------------------------|--------------------------|-------------------|------------------|------------------|--------------------------|
| General government:                          |                          |                   |                  |                  |                          |
| General administration                       | \$ 111,047               | \$ 23,322         | \$ 10,008        | \$ (79)          | \$ 124,282               |
| Property management                          | 10,153                   | -                 | -                | 1,974            | 12,127                   |
| Plant acquisition                            | 69,894                   | 12,655            | 63,630           | -                | 18,919                   |
| Other                                        | 4,073                    | 3,641             | -                | -                | 7,714                    |
| Total general government                     | <u>195,167</u>           | <u>39,618</u>     | <u>73,638</u>    | <u>1,895</u>     | <u>163,042</u>           |
| Public protection:                           |                          |                   |                  |                  |                          |
| Judicial                                     | 14,582                   | 250               | 22               | 7                | 14,817                   |
| Police protection                            | 41,645                   | 6,996             | 4,176            | (5)              | 44,460                   |
| Detention and correction                     | 106,181                  | 64,716            | 257              | (1,890)          | 168,750                  |
| Fire                                         | 50,812                   | 19,064            | 8,768            | -                | 61,108                   |
| Flood control & soil & water<br>conservation | 232,447                  | 9,757             | 8                | -                | 242,196                  |
| Protective inspection                        | 119                      | -                 | -                | -                | 119                      |
| Other                                        | 19,585                   | 1,320             | 976              | (7)              | 19,922                   |
| Total public protection                      | <u>465,371</u>           | <u>102,103</u>    | <u>14,207</u>    | <u>(1,895)</u>   | <u>551,372</u>           |
| Public ways and facilities                   | <u>334,728</u>           | <u>17,527</u>     | <u>7,983</u>     | <u>-</u>         | <u>344,272</u>           |
| Health and sanitation services               | <u>4,938</u>             | <u>686</u>        | <u>353</u>       | <u>-</u>         | <u>5,271</u>             |
| Public assistance:                           |                          |                   |                  |                  |                          |
| Administration                               | 312                      | 491               | 96               | -                | 707                      |
| Other                                        | 383                      | 2,046             | -                | -                | 2,429                    |
| Total public assistance                      | <u>695</u>               | <u>2,537</u>      | <u>96</u>        | <u>-</u>         | <u>3,136</u>             |
| Education:                                   |                          |                   |                  |                  |                          |
| Library services                             | <u>8,305</u>             | <u>3,662</u>      | <u>2,762</u>     | <u>-</u>         | <u>9,205</u>             |
| Total education                              | <u>8,305</u>             | <u>3,662</u>      | <u>2,762</u>     | <u>-</u>         | <u>9,205</u>             |
| Total governmental funds<br>capital assets   | <u>\$ 1,009,204</u>      | <u>\$ 166,133</u> | <u>\$ 99,039</u> | <u>\$ -</u>      | <u>\$ 1,076,298</u>      |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets. The total governmental additions exceed capital outlay by \$95,489, due to \$95,489 in transfers from construction in progress to equipment and structures recorded as additions and deletions.

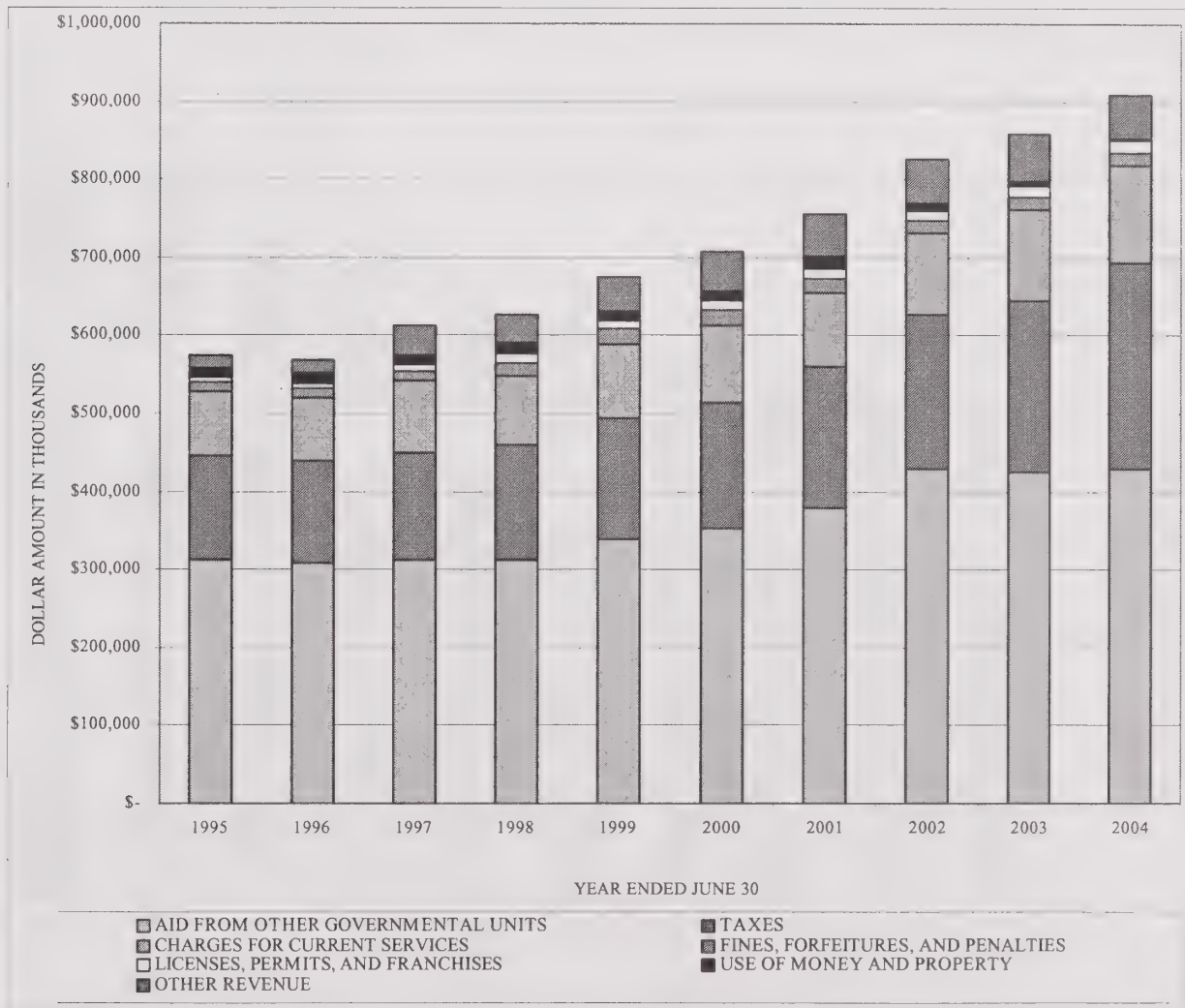
# STATISTICAL SECTION (UNAUDITED)





COUNTY OF VENTURA  
REVENUES BY SOURCE  
ALL GOVERNMENTAL FUND TYPES (1)  
TEN YEARS ENDED JUNE 30, 2004  
(In Thousands)  
(UNAUDITED)

| YEAR<br>ENDED<br>JUNE 30 | TAXES      | LICENSES<br>PERMITS,<br>AND<br>FRANCHISES | FINES,<br>FORFEITURES,<br>AND<br>PENALTIES | USE OF<br>MONEY<br>AND<br>PROPERTY | AID FROM<br>OTHER<br>GOVERNMENTAL<br>UNITS | CHARGES<br>FOR<br>CURRENT<br>SERVICES | OTHER<br>REVENUE | TOTAL      |
|--------------------------|------------|-------------------------------------------|--------------------------------------------|------------------------------------|--------------------------------------------|---------------------------------------|------------------|------------|
| 1995                     | \$ 132,964 | \$ 7,659                                  | \$ 11,351                                  | \$ 11,562                          | \$ 313,276                                 | \$ 81,730                             | \$ 15,832        | \$ 574,374 |
| 1996                     | \$ 130,969 | \$ 7,430                                  | \$ 11,924                                  | \$ 12,752                          | \$ 308,976                                 | \$ 79,712                             | \$ 17,006        | \$ 568,769 |
| 1997                     | \$ 137,540 | \$ 8,216                                  | \$ 11,532                                  | \$ 12,517                          | \$ 312,450                                 | \$ 93,082                             | \$ 37,567        | \$ 612,904 |
| 1998                     | \$ 147,741 | \$ 11,001                                 | \$ 16,292                                  | \$ 14,346                          | \$ 312,935                                 | \$ 88,084                             | \$ 36,734        | \$ 627,133 |
| 1999                     | \$ 154,697 | \$ 10,364                                 | \$ 19,202                                  | \$ 13,340                          | \$ 338,665                                 | \$ 95,542                             | \$ 43,923        | \$ 675,733 |
| 2000                     | \$ 162,583 | \$ 10,914                                 | \$ 21,111                                  | \$ 12,305                          | \$ 351,999                                 | \$ 98,038                             | \$ 49,767        | \$ 706,717 |
| 2001                     | \$ 181,573 | \$ 10,206                                 | \$ 18,622                                  | \$ 17,581                          | \$ 379,750                                 | \$ 94,371                             | \$ 53,074        | \$ 755,177 |
| 2002                     | \$ 196,035 | \$ 11,730                                 | \$ 16,870                                  | \$ 9,781                           | \$ 430,019                                 | \$ 105,827                            | \$ 56,160        | \$ 826,422 |
| 2003                     | \$ 219,097 | \$ 15,001                                 | \$ 15,465                                  | \$ 5,736                           | \$ 426,021                                 | \$ 117,352                            | \$ 59,341        | \$ 858,013 |
| 2004 (2)                 | \$ 264,204 | \$ 16,324                                 | \$ 16,414                                  | \$ 1,851                           | \$ 429,463                                 | \$ 124,109                            | \$ 56,152        | \$ 908,517 |



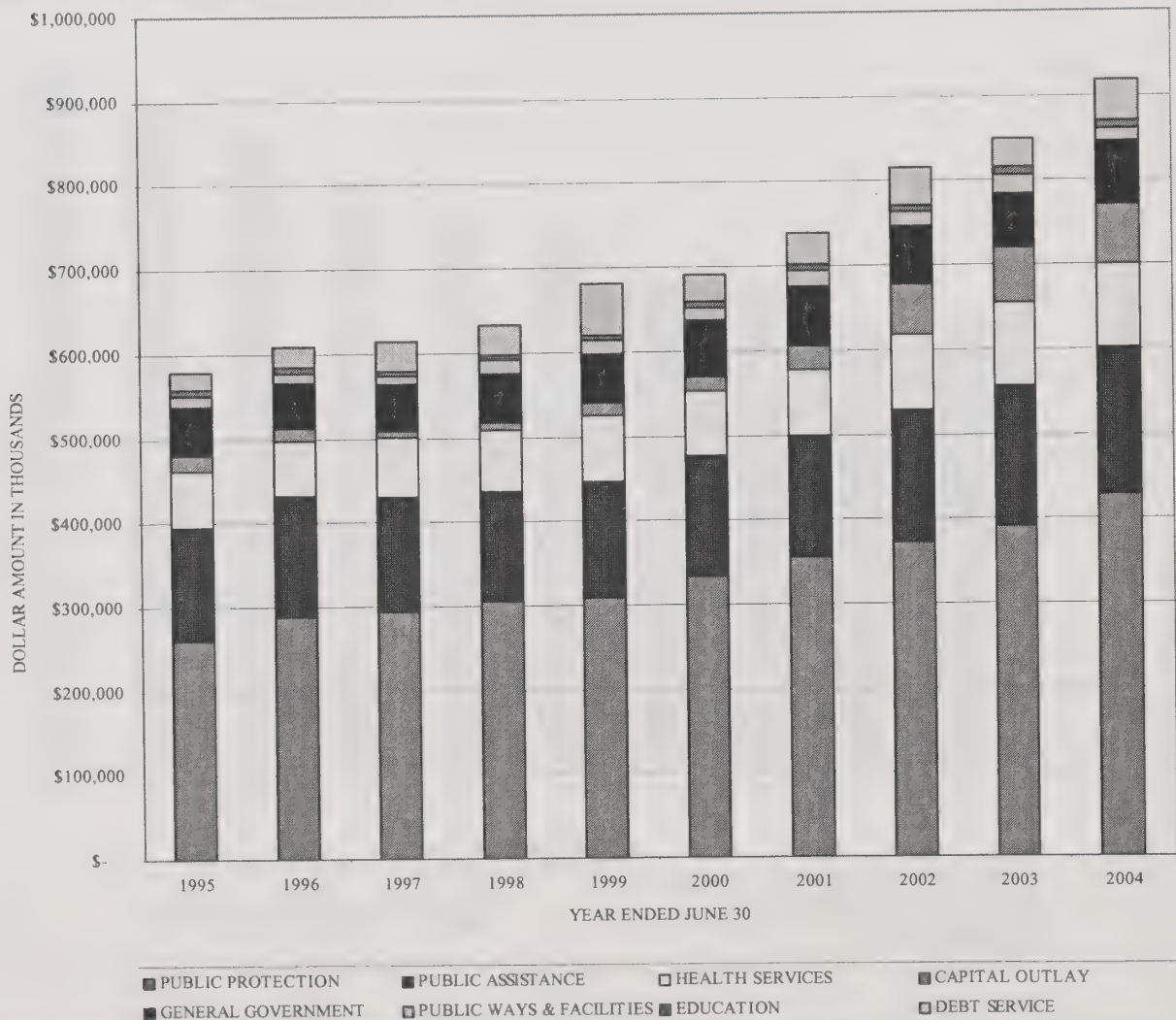
(1) Includes General Fund and all Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

(2) Includes over \$29 million of additional property taxes to the Fire Protection District resulting from the settlement of the ERAF lawsuit filed against the State of California relating to the 93/94 ERAF shift.

Source: Ventura County Auditor-Controller's Office

COUNTY OF VENTURA  
EXPENDITURES BY FUNCTION  
ALL GOVERNMENTAL FUND TYPES (1)  
TEN YEARS ENDED JUNE 30, 2004  
(In Thousands)  
(UNAUDITED)

| Year<br>Ended<br>June 30 | General<br>Government | Public<br>Protection | Public<br>Ways and<br>Facilities | Health<br>and<br>Sanitation<br>Services | Public<br>Assistance | Education | Capital<br>Outlay | Debt<br>Service | Total      |
|--------------------------|-----------------------|----------------------|----------------------------------|-----------------------------------------|----------------------|-----------|-------------------|-----------------|------------|
| 1995                     | \$ 57,772             | \$ 260,084           | \$ 14,176                        | \$ 68,144                               | \$ 134,379           | \$ 7,050  | \$ 17,581         | \$ 20,804       | \$ 579,990 |
| 1996                     | \$ 52,758             | \$ 288,067           | \$ 12,275                        | \$ 65,301                               | \$ 143,463           | \$ 6,623  | \$ 15,920         | \$ 25,376       | \$ 609,783 |
| 1997                     | \$ 54,791             | \$ 294,474           | \$ 10,253                        | \$ 71,006                               | \$ 136,061           | \$ 6,060  | \$ 7,353          | \$ 34,224       | \$ 614,222 |
| 1998                     | \$ 57,815             | \$ 306,184           | \$ 16,199                        | \$ 71,501                               | \$ 129,836           | \$ 6,010  | \$ 10,759         | \$ 35,344       | \$ 633,648 |
| 1999 (2)                 | \$ 58,188             | \$ 309,001           | \$ 15,290                        | \$ 77,514                               | \$ 138,782           | \$ 6,093  | \$ 14,856         | \$ 61,965       | \$ 681,689 |
| 2000                     | \$ 67,245             | \$ 332,860           | \$ 14,215                        | \$ 75,934                               | \$ 144,454           | \$ 7,237  | \$ 16,892         | \$ 32,678       | \$ 691,515 |
| 2001                     | \$ 71,024             | \$ 355,287           | \$ 18,881                        | \$ 77,435                               | \$ 144,175           | \$ 8,070  | \$ 27,561         | \$ 36,333       | \$ 738,766 |
| 2002                     | \$ 69,009             | \$ 372,040           | \$ 15,766                        | \$ 89,943                               | \$ 156,043           | \$ 8,350  | \$ 59,948         | \$ 45,115       | \$ 816,214 |
| 2003                     | \$ 62,749             | \$ 390,907           | \$ 22,460                        | \$ 98,817                               | \$ 165,311           | \$ 8,230  | \$ 66,337         | \$ 33,932       | \$ 848,743 |
| 2004                     | \$ 73,790             | \$ 427,410           | \$ 15,851                        | \$ 99,538                               | \$ 173,237           | \$ 8,418  | \$ 70,644         | \$ 49,425       | \$ 918,313 |



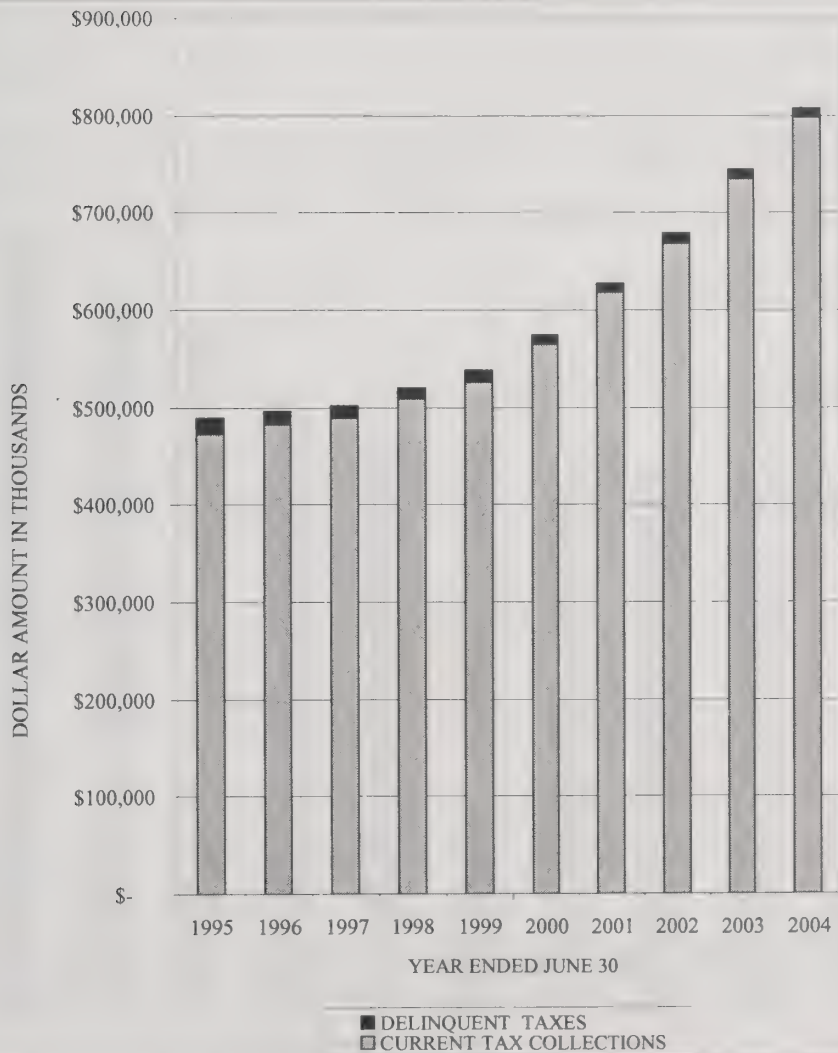
(1) Includes General Funds and all Special Revenue, Debt Service, and Capital Projects Funds.

(2) 1999 Debt Service includes \$28,232,000 one-time principal payment due to retirement of PFC I and PFC III.

Source: Auditor-Controller's Office

COUNTY OF VENTURA  
PROPERTY TAX LEVIES AND COLLECTIONS  
TEN YEARS ENDED JUNE 30, 2004  
(In Thousands)  
(UNAUDITED)

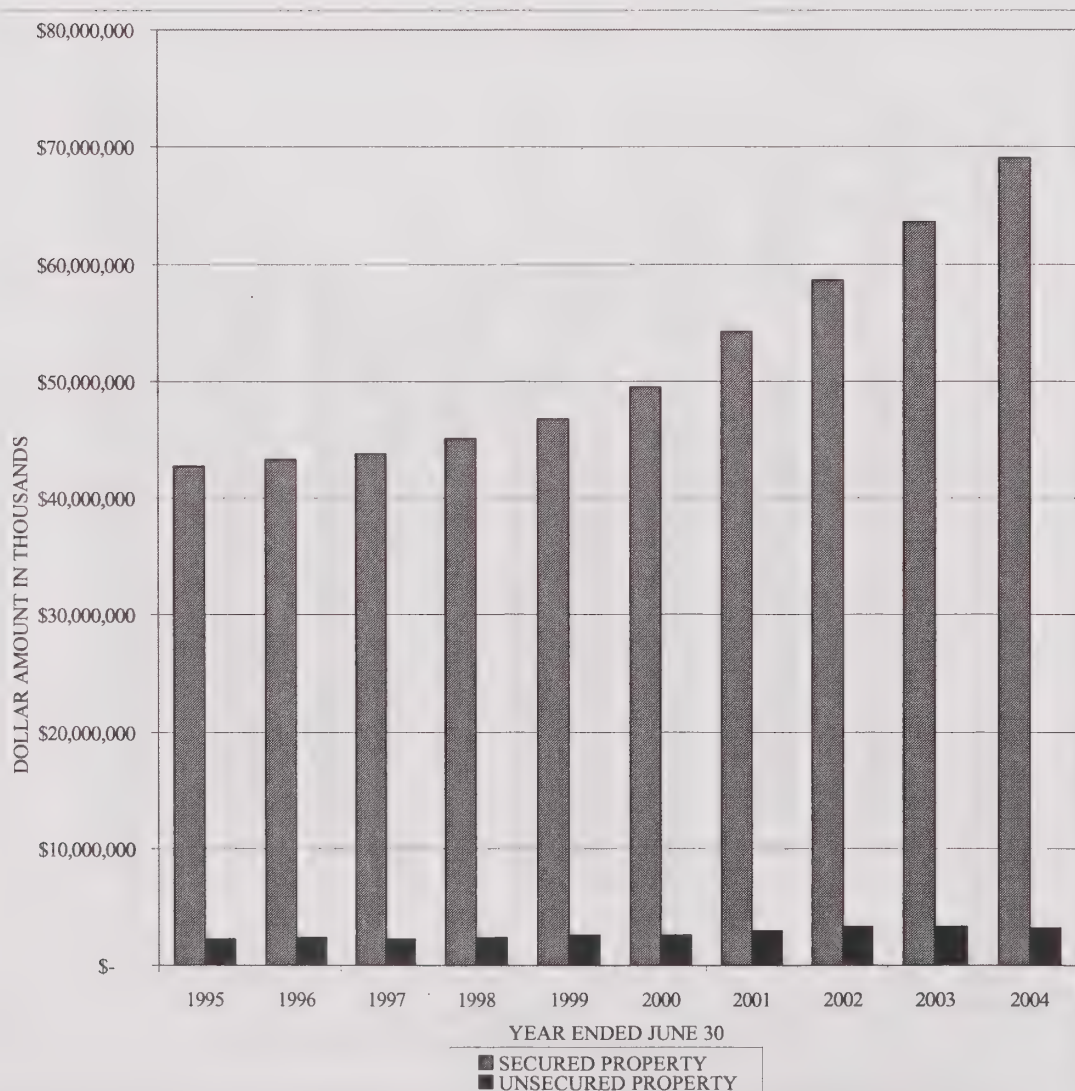
| YEAR<br>ENDED<br>JUNE 30 | TOTAL<br>TAX LEVY | CURRENT TAX<br>COLLECTIONS | PERCENT<br>OF LEVY<br>COLLECTED | DELINQUENT<br>TAXES | PERCENT OF<br>DELINQUENT TAXES<br>TO TOTAL TAX LEVY |
|--------------------------|-------------------|----------------------------|---------------------------------|---------------------|-----------------------------------------------------|
| 1995                     | \$ 489,392        | \$ 472,894                 | 96.6                            | \$ 16,498           | 3.4                                                 |
| 1996                     | \$ 496,672        | \$ 483,091                 | 97.3                            | \$ 13,581           | 2.7                                                 |
| 1997                     | \$ 501,797        | \$ 489,594                 | 97.6                            | \$ 12,203           | 2.4                                                 |
| 1998                     | \$ 520,616        | \$ 509,713                 | 97.9                            | \$ 10,903           | 2.1                                                 |
| 1999                     | \$ 539,141        | \$ 526,333                 | 97.6                            | \$ 12,808           | 2.4                                                 |
| 2000                     | \$ 574,444        | \$ 564,614                 | 98.3                            | \$ 9,830            | 1.7                                                 |
| 2001                     | \$ 627,553        | \$ 617,453                 | 98.4                            | \$ 10,100           | 1.6                                                 |
| 2002                     | \$ 679,821        | \$ 668,926                 | 98.4                            | \$ 10,895           | 1.6                                                 |
| 2003                     | \$ 745,363        | \$ 735,445                 | 98.7                            | \$ 9,918            | 1.3                                                 |
| 2004                     | \$ 808,475        | \$ 798,522                 | 98.8                            | \$ 9,953            | 1.2                                                 |



COUNTY OF VENTURA  
ASSESSED VALUE  
OF TAXABLE PROPERTY  
TEN YEARS ENDED JUNE 30, 2004  
(In Thousands)  
(UNAUDITED)

| YEAR ENDED<br>JUNE 30 | SECURED PROPERTY<br>ASSESSED<br>VALUE | UNSECURED PROPERTY<br>ASSESSED<br>VALUE | TOTAL<br>ASSESSED<br>VALUE |
|-----------------------|---------------------------------------|-----------------------------------------|----------------------------|
| 1995                  | \$ 42,708,299                         | \$ 2,257,582                            | \$ 44,965,881              |
| 1996                  | \$ 43,282,520                         | \$ 2,317,807                            | \$ 45,600,327              |
| 1997                  | \$ 43,855,746                         | \$ 2,258,688                            | \$ 46,114,434              |
| 1998                  | \$ 45,068,893                         | \$ 2,425,801                            | \$ 47,494,694              |
| 1999                  | \$ 46,798,426                         | \$ 2,615,665                            | \$ 49,414,091              |
| 2000                  | \$ 49,491,147                         | \$ 2,666,951                            | \$ 52,158,098              |
| 2001                  | \$ 54,213,286                         | \$ 2,927,920                            | \$ 57,141,206              |
| 2002                  | \$ 58,662,702                         | \$ 3,307,261                            | \$ 61,969,963              |
| 2003                  | \$ 63,560,907                         | \$ 3,318,345                            | \$ 66,879,252              |
| 2004                  | \$ 69,085,949                         | \$ 3,262,538                            | \$ 72,348,487              |

NOTE: Assessments are at full value in accordance with Section 135 of the Revenue and Taxation Code.



COUNTY OF VENTURA  
PROPERTY TAX RATES AND DISTRIBUTION OF GENERAL LEVY PROPERTY TAXES  
DIRECT AND OVERLAPPING GOVERNMENTS  
TEN YEARS ENDED JUNE 30, 2004  
(In Thousands)  
(UNAUDITED)

| YEAR<br>ENDED<br>JUNE 30 | PROPERTY TAX RATES<br>PER \$100 OF<br>ASSESSED VALUATION |          | SPECIAL |           | SCHOOL |               | TOTAL |
|--------------------------|----------------------------------------------------------|----------|---------|-----------|--------|---------------|-------|
|                          | LOW                                                      | HIGH     | CITIES  | DISTRICTS | COUNTY | DISTRICTS (1) |       |
| 1995                     | 1.000000                                                 | 1.393164 | 7.67%   | 18.65%    | 18.01% | 55.67%        | 100%  |
| 1996                     | 1.000000                                                 | 1.392075 | 7.64%   | 18.64%    | 17.96% | 55.76%        | 100%  |
| 1997                     | 1.000000                                                 | 1.384278 | 7.60%   | 18.74%    | 17.90% | 55.76%        | 100%  |
| 1998                     | 1.000000                                                 | 1.371358 | 8.21%   | 18.73%    | 17.88% | 55.18%        | 100%  |
| 1999                     | 1.000000                                                 | 1.385931 | 8.39%   | 18.60%    | 17.87% | 55.14%        | 100%  |
| 2000                     | 1.000000                                                 | 1.218139 | 8.44%   | 18.63%    | 17.87% | 55.06%        | 100%  |
| 2001                     | 1.000000                                                 | 1.231617 | 8.54%   | 18.65%    | 17.95% | 54.86%        | 100%  |
| 2002                     | 1.000000                                                 | 1.231617 | 8.63%   | 18.65%    | 17.90% | 54.82%        | 100%  |
| 2003                     | 1.000000                                                 | 1.228727 | 8.63%   | 18.63%    | 17.92% | 54.82%        | 100%  |
| 2004                     | 1.000000                                                 | 1.211696 | 8.69%   | 18.80%    | 18.07% | 54.44%        | 100%  |

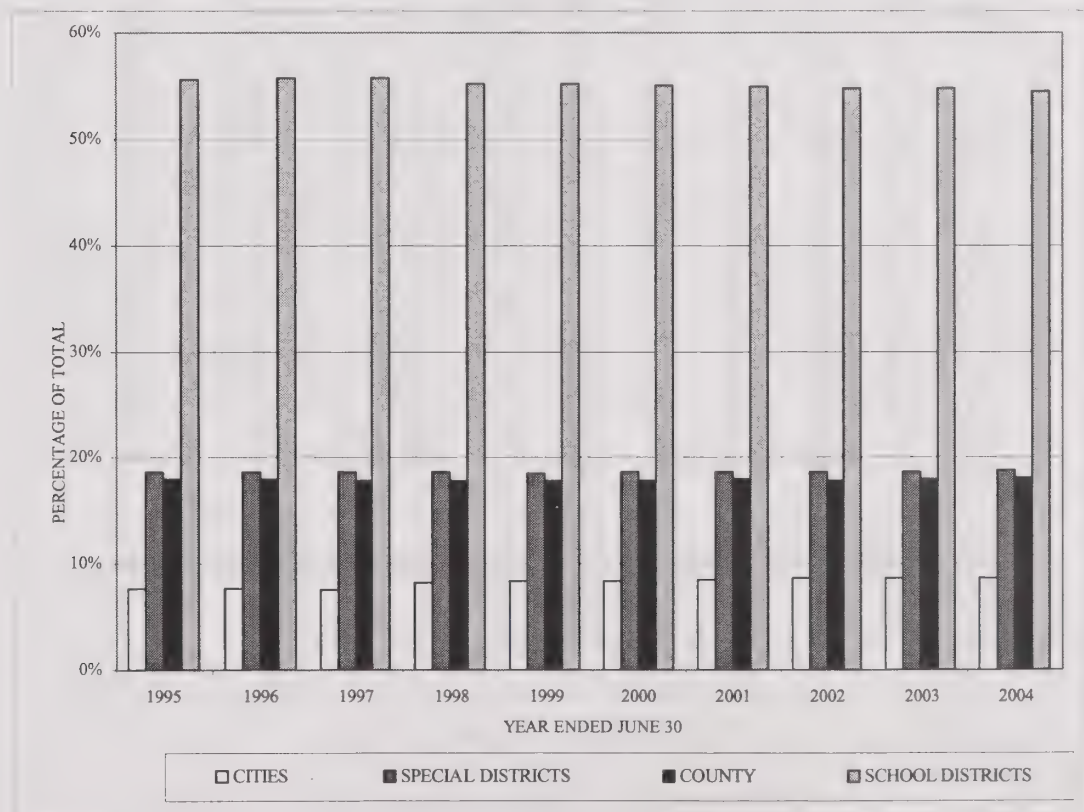
The County is divided into approximately 2,460 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. The above tax rates, which include levies for general obligation bonds and special assessments, represent the low and high tax rates levied within each tax rate area.

The above allocation percentages are for general levies only and exclude general obligation bonds and special assessments.

The passage of Proposition 13 on June 6, 1978, enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for voter approved bonded debt, in excess of a general tax rate of 1 percent of assessed value. The proceeds of this tax are shared by all overlapping local government entities.

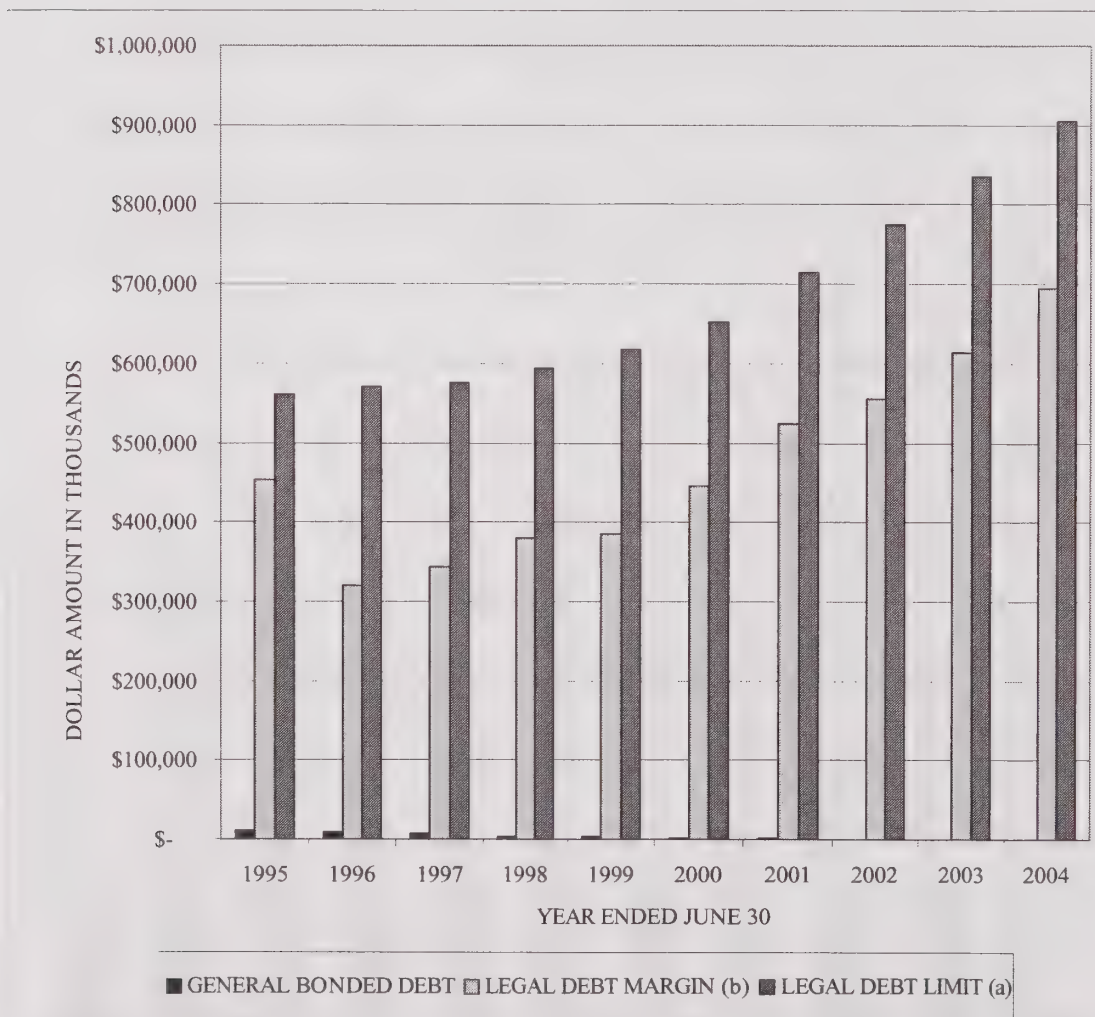
(1) Includes Superintendent of Schools

Source: Ventura County Auditor-Controller's Office



COUNTY OF VENTURA  
GENERAL BONDED DEBT AND LEGAL DEBT LIMIT  
TEN YEARS ENDED JUNE 30, 2004  
(In Thousands)  
(UNAUDITED)

| YEAR<br>ENDED<br>JUNE 30 | ESTIMATED<br>POPULATION | TOTAL<br>ASSESSED<br>VALUATION | LEGAL<br>DEBT<br>LIMIT (a) | LEGAL<br>DEBT<br>MARGIN (b) | GENERAL<br>BONDED<br>DEBT | GENERAL<br>BONDED DEBT<br>TO ASSESSED<br>VALUE | GENERAL<br>BONDED<br>DEBT PER<br>CAPITA |
|--------------------------|-------------------------|--------------------------------|----------------------------|-----------------------------|---------------------------|------------------------------------------------|-----------------------------------------|
| 1995                     | 721                     | \$ 44,965,881                  | \$ 562,074                 | \$ 454,288                  | \$ 10,190                 | 0.00023                                        | \$ 14.13                                |
| 1996                     | 716                     | \$ 45,600,327                  | \$ 570,004                 | \$ 319,369                  | \$ 8,395                  | 0.00018                                        | \$ 11.72                                |
| 1997                     | 717                     | \$ 46,114,434                  | \$ 576,430                 | \$ 343,747                  | \$ 6,495                  | 0.00014                                        | \$ 9.06                                 |
| 1998 (c)                 | 726                     | \$ 47,494,694                  | \$ 593,684                 | \$ 380,826                  | \$ 4,555                  | 0.00010                                        | \$ 6.27                                 |
| 1999                     | 735                     | \$ 49,414,091                  | \$ 617,676                 | \$ 385,771                  | \$ 3,010                  | 0.00006                                        | \$ 4.10                                 |
| 2000                     | 748                     | \$ 52,158,098                  | \$ 651,976                 | \$ 445,455                  | \$ 1,805                  | 0.00003                                        | \$ 2.41                                 |
| 2001                     | 765                     | \$ 57,141,206                  | \$ 714,265                 | \$ 524,194                  | \$ 1,255                  | 0.00002                                        | \$ 1.64                                 |
| 2002                     | 780                     | \$ 61,969,963                  | \$ 774,625                 | \$ 555,806                  | \$ 665                    | 0.00001                                        | \$ 0.85                                 |
| 2003 (d)                 | 792                     | \$ 66,879,252                  | \$ 835,991                 | \$ 613,728                  | \$ 340                    | 0.000005                                       | \$ 0.43                                 |
| 2004                     | 802                     | \$ 72,348,487                  | \$ 904,356                 | \$ 694,358                  | \$ -                      | 0.000000                                       | \$ -                                    |



(a) The legal debt limit is set by statute at 1.25 percent of total assessed valuation.

(b) The legal debt margin is the legal debt limit reduced by all long-term bonds, certificates of participation and loans payable.

(c) Revised based upon updated report from State of California, Demographic Research Unit.

(d) Corrected in 2003-04.

Sources: Ventura County Auditor-Controller's Office and Department of Finance

COUNTY OF VENTURA  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES  
TEN YEARS ENDED JUNE 30, 2004  
(In Thousands)  
(UNAUDITED)

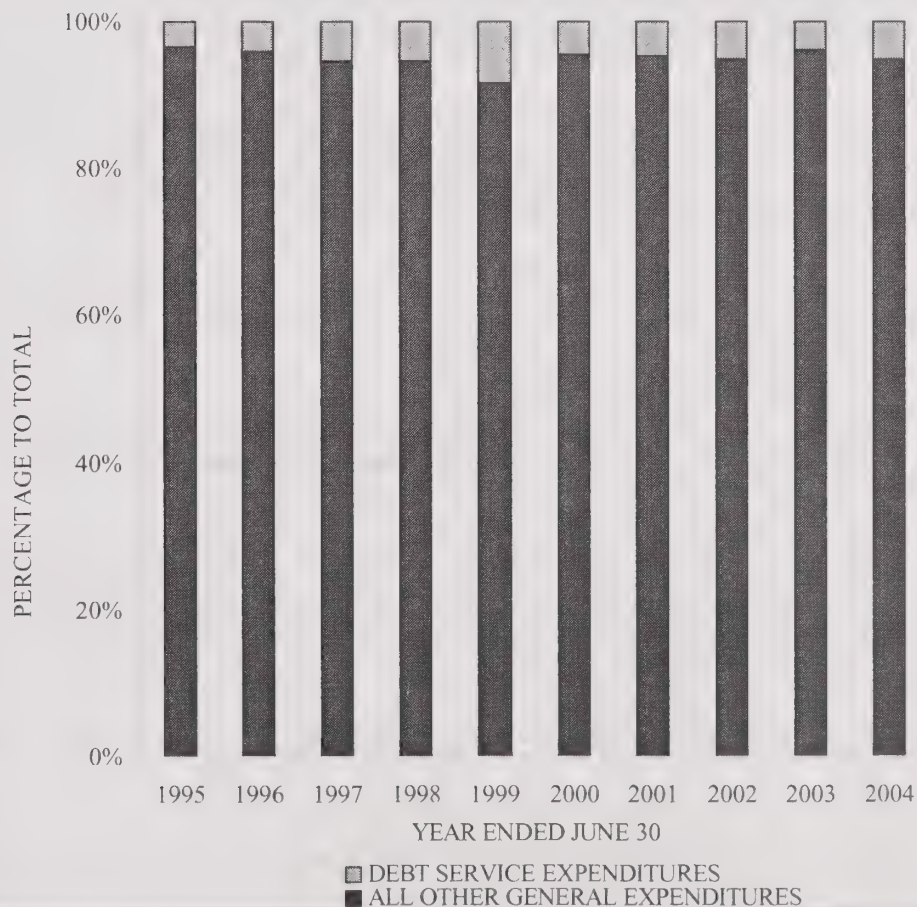
| FISCAL YEAR | PRINCIPAL | INTEREST  | TOTAL DEBT SERVICE (1) | TOTAL GENERAL EXPENDITURES (2) | RATIO OF DEBT SERVICE TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES |
|-------------|-----------|-----------|------------------------|--------------------------------|------------------------------------------------------------------|
| 1995        | \$ 11,747 | \$ 9,057  | \$ 20,804              | \$ 579,990                     | 3.6%                                                             |
| 1996        | \$ 12,792 | \$ 12,584 | \$ 25,376              | \$ 609,783                     | 4.2%                                                             |
| 1997        | \$ 16,171 | \$ 18,053 | \$ 34,224              | \$ 614,222                     | 5.6%                                                             |
| 1998        | \$ 17,857 | \$ 17,487 | \$ 35,344              | \$ 633,648                     | 5.6%                                                             |
| 1999 (3)    | \$ 39,587 | \$ 22,378 | \$ 61,965              | \$ 681,689                     | 9.1%                                                             |
| 2000        | \$ 19,233 | \$ 13,445 | \$ 32,678              | \$ 691,515                     | 4.7%                                                             |
| 2001        | \$ 21,787 | \$ 14,546 | \$ 36,333              | \$ 738,766                     | 4.9%                                                             |
| 2002        | \$ 33,275 | \$ 11,840 | \$ 45,115              | \$ 816,214                     | 5.5%                                                             |
| 2003        | \$ 21,915 | \$ 12,017 | \$ 33,932              | \$ 848,743                     | 4.0%                                                             |
| 2004        | \$ 39,642 | \$ 9,783  | \$ 49,425              | \$ 918,313                     | 5.4%                                                             |

(1) Includes debt service for General Fund short-term borrowings and all debt service in the Debt Service Funds. General obligation and lease revenue bonds reported in the proprietary fund have been excluded

(2) Includes General Fund and all Special Revenue, Debt Service, and Capital Projects Funds.

(3) 1999 Principal includes \$28,232,000 one-time principal payment due to retirement of PFC I and PFC III.

Source: Ventura County Auditor-Controller's Office



COUNTY OF VENTURA  
CONSTRUCTION AND BANK DEPOSITS  
TEN YEARS ENDED JUNE 30, 2004  
(UNAUDITED)

| <b>YEAR<br/>ENDED<br/>JUNE 30</b> | <b>COMMERCIAL</b>                   | <b>RESIDENTIAL CONSTRUCTION</b> |                                     | <b>BANK</b>                            |
|-----------------------------------|-------------------------------------|---------------------------------|-------------------------------------|----------------------------------------|
|                                   | <b>CONSTRUCTION</b>                 | <b>NUMBER OF<br/>UNITS (a)</b>  | <b>VALUE (a)<br/>(In Thousands)</b> | <b>DEPOSITS (b)<br/>(In Thousands)</b> |
|                                   | <b>VALUE (a)<br/>(In Thousands)</b> |                                 |                                     |                                        |
| 1995                              | \$ 106,072                          | 2,305                           | \$ 181,739                          | \$ 4,151,251                           |
| 1996                              | \$ 155,762                          | 2,346                           | \$ 227,050                          | \$ 3,425,696                           |
| 1997                              | \$ 206,749                          | 2,304                           | \$ 246,332                          | \$ 6,477,957                           |
| 1998                              | \$ 241,206                          | 2,607                           | \$ 191,737                          | \$ 6,842,846                           |
| 1999                              | (c)                                 | 3,977                           | (c)                                 | \$ 7,147,592                           |
| 2000                              | \$ 365,132                          | 4,180                           | \$ 431,938                          | \$ 7,373,216                           |
| 2001                              | \$ 200,808                          | 3,782                           | \$ 498,260                          | \$ 7,934,198                           |
| 2002                              | \$ 269,727                          | 2,826                           | \$ 421,194                          | \$ 8,721,314                           |
| 2003                              | \$ 159,034                          | 3,421                           | \$ 418,932                          | \$ 9,771,188                           |
| 2004                              | \$ 274,288                          | 2,725                           | \$ 448,488                          | \$ 10,841,643                          |

(a) Sources:

Construction Industry Research Board for number of units.  
Ventura County Assessor's Office for construction values.

(b) State Banking Department through 1996; FDIC Website [www.fdic.gov](http://www.fdic.gov)

(c) Information was not available as of report date.

COUNTY OF VENTURA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
AS OF JUNE 30, 2004  
(UNAUDITED)

| <b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>                     | <b>PERCENTAGE<br/>APPLICABLE<br/>TO COUNTY<br/>OF VENTURA</b> | <b>DEBT<br/>JUNE 30, 2004</b> |
|-----------------------------------------------------------------|---------------------------------------------------------------|-------------------------------|
| Metropolitan Water District                                     | 4.150                                                         | \$ 18,570,213                 |
| Ventura County Flood Control District, Zone No. 3               | 100.00                                                        | -                             |
| College, School, High School, and Unified School Districts      | 100.00 (a)                                                    | 586,843,174                   |
| Ventura County Waterworks Districts (#1 and #16)                | 100.00                                                        | -                             |
| 1915 Act Bonds                                                  | 100.00                                                        | 57,480,500                    |
| Ojai Valley Sanitation District                                 | 100.00                                                        | -                             |
| Community Facilities Districts                                  | 100.00                                                        | 95,362,090                    |
| TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT                 | (b)                                                           | 758,255,977                   |
| Less: Ventura County Waterworks District self-supporting bonds  |                                                               | -                             |
| TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT                   | (b)                                                           | 758,255,977                   |
| <br><b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b> |                                                               |                               |
| Ventura County Pension Obligations                              | 100.00                                                        | 73,470,000                    |
| Ventura County Public Facilities Corporation                    | 100.00                                                        | 9,790,000                     |
| Ventura County Public Financing Authorities                     | 100.00                                                        | 96,615,000                    |
| Cities and City Building Authorities                            | 100.00                                                        | 135,551,734                   |
| School Authorities                                              | 100.00 (a)                                                    | 68,273,637                    |
| Ventura County Superintendent of Schools                        | 100.00                                                        | 13,855,000                    |
| County Water District Certificates of Participation             | 100.00                                                        | 1,026,193                     |
| Camarillo Sanitary District Certificates of Participation       | 100.00                                                        | 7,655,627                     |
| Recreation and Park Districts Certificates of Participation     | 100.00                                                        | 1,725,000                     |
| TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT                  | (b)                                                           | 407,962,191                   |
| Less: City of Thousand Oaks Lease Revenue self-supporting bonds |                                                               | 4,705,000                     |
| Camarillo Sanitary District Certificates of Participation       |                                                               | 7,655,627                     |
| TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT                    | (b)                                                           | 395,601,564                   |
| GROSS COMBINED TOTAL DEBT                                       |                                                               | \$ 1,166,218,168              |
| NET COMBINED TOTAL DEBT                                         |                                                               | \$ 1,153,857,541              |

Ratios to assessed valuation:

|                                                 |       |
|-------------------------------------------------|-------|
| Total gross overlapping tax and assessment debt | 1.73% |
| Total net overlapping tax and assessment debt   | 1.72% |

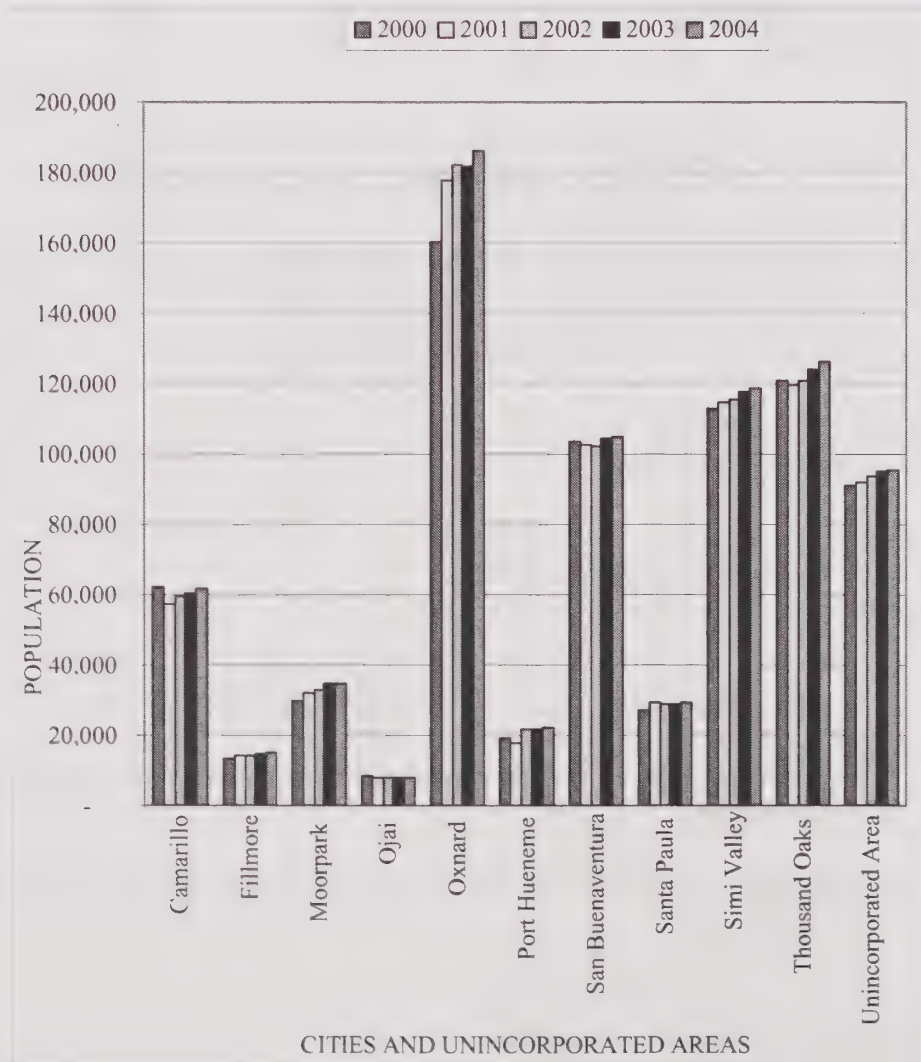
- (a) All 100 percent except Las Virgenes Joint Unified School District (3.929%) and Allan Hancock Joint Community College District (0.145%).
- (b) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source : California Municipal Statistics, Inc., San Francisco and Ventura County Auditor-Controller's Office

COUNTY OF VENTURA  
POPULATION BY CITY  
FIVE-YEAR COMPARISON AS OF JUNE 30, 2004  
(UNAUDITED)

|                     | 2000    | 2001    | 2002    | 2003    | 2004    |
|---------------------|---------|---------|---------|---------|---------|
| Camarillo           | 62,187  | 57,349  | 59,487  | 60,515  | 61,746  |
| Fillmore            | 13,260  | 14,096  | 14,400  | 14,690  | 15,128  |
| Moorpark            | 29,727  | 32,151  | 33,032  | 34,529  | 34,887  |
| Ojai                | 8,258   | 7,970   | 7,913   | 7,991   | 8,097   |
| Oxnard              | 160,305 | 177,700 | 182,027 | 181,763 | 186,122 |
| Port Hueneme        | 18,991  | 17,766  | 21,854  | 21,794  | 22,137  |
| San Buenaventura    | 103,505 | 102,574 | 102,346 | 104,259 | 104,952 |
| Santa Paula         | 27,255  | 29,303  | 28,732  | 28,962  | 29,121  |
| Simi Valley         | 113,023 | 114,837 | 115,533 | 117,671 | 118,793 |
| Thousand Oaks       | 120,744 | 119,411 | 120,975 | 123,986 | 126,081 |
| Unincorporated Area | 90,984  | 92,017  | 93,790  | 95,150  | 95,372  |
| Total               | 748,239 | 765,174 | 780,089 | 791,310 | 802,436 |

Source:  
State of California Department of Finance  
Demographic Research Unit



COUNTY OF VENTURA  
TEN LARGEST PROPERTY TAXPAYERS RANKED BY ASSESSED VALUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(In Thousands)  
(UNAUDITED)

| NAME                                                 | TYPE OF BUSINESS         | GROSS<br>ASSESSED VALUE | PERCENTAGE OF<br>TOTAL GROSS<br>ASSESSED VALUE |
|------------------------------------------------------|--------------------------|-------------------------|------------------------------------------------|
| Amgen, Inc                                           | Biotechnology            | \$ 960,013              | 1.33%                                          |
| So. California Edison Co.                            | Utility                  | 433,482                 | 0.60%                                          |
| Aera Energy LLC                                      | Oil field operations     | 335,604                 | 0.46%                                          |
| Proctor-Gamble Paper Products                        | Manufacturing            | 245,666                 | 0.34%                                          |
| Verizon California Inc.                              | Telecommunications       | 245,025                 | 0.34%                                          |
| Reliant Energy                                       | Utility                  | 221,626                 | 0.31%                                          |
| Macerich                                             | Regional Shopping Center | 204,055                 | 0.28%                                          |
| Vintage Petroleum Inc.                               | Oil field operations     | 190,559                 | 0.26%                                          |
| Baxter Healthcare                                    | Biotechnology            | 152,731                 | 0.21%                                          |
| Duesenberg Investment Co.                            | Financial                | 143,879                 | 0.20%                                          |
| Total attributable to ten largest property taxpayers |                          | <u>\$ 3,132,640</u>     | <u>4.33%</u>                                   |
| Total gross assessed value                           |                          | <u>\$ 72,348,487</u>    | <u>100.00%</u>                                 |

COUNTY OF VENTURA  
DEMOGRAPHIC AND MISCELLANEOUS STATISTICAL DATA  
AS OF JUNE 30, 2004  
(UNAUDITED)

The State Legislature approved the formation of Ventura County on March 22, 1872, effective January 1, 1873. The County of Ventura was created out of the southeasterly portion of Santa Barbara County.

The County of Ventura is bounded on the east by Los Angeles County; on the north by Kern County; on the northwest by Santa Barbara County; and on the south and southwest by the Pacific Ocean, with a coastline of approximately 42 miles.

|                     |                                                                    |
|---------------------|--------------------------------------------------------------------|
| Form of Government: | General Law County, governed by a five member Board of Supervisors |
| County Seat:        | San Buenaventura, California                                       |
| Area of County:     | Approximately 1,873 square miles                                   |
| Lowest Point:       | Sea Level                                                          |
| Highest Point:      | Mount Pinos, 8,831 feet                                            |
| Mean Temperature:   | 60.9 degrees                                                       |
| Mean Precipitation: | 13.09 inches                                                       |
| Fiscal Year:        | July 1 through June 30                                             |
| Number of Cities:   | Ten                                                                |

|             |                        |         |                      |         |
|-------------|------------------------|---------|----------------------|---------|
| Population: | Census June 1, 1890    | 10,071  | Census April 1, 1960 | 199,138 |
|             | Census June 1, 1900    | 14,367  | Census April 1, 1970 | 368,497 |
|             | Census April 15, 1910  | 18,347  | Census April 1, 1980 | 529,899 |
|             | Census January 1, 1920 | 28,724  | Census April 1, 1990 | 669,016 |
|             | Census April 1, 1930   | 54,976  | Census April 1, 2000 | 753,197 |
|             | Census April 1, 1940   | 69,685  | Est. January 1, 2004 | 802,436 |
|             | Census April 1, 1950   | 114,647 |                      |         |

(Source: US Department of Commerce, Bureau of Census)

|                                             |               |       |
|---------------------------------------------|---------------|-------|
| County Employees:                           | June 30, 2004 | 7,935 |
| Number of employees per thousand population |               | 9.9   |

|                          |                                 |               |
|--------------------------|---------------------------------|---------------|
| Employment Distribution: |                                 |               |
|                          | Service Industries              | 36.0%         |
|                          | Retail Trade                    | 11.0%         |
|                          | Government                      | 14.1%         |
|                          | Manufacturing                   | 12.0%         |
|                          | Agriculture, Food Production    | 7.6%          |
|                          | Wholesale Trade                 | 3.9%          |
|                          | Construction and Mining         | 6.1%          |
|                          | Finance, Insurance, Real Estate | 7.5%          |
|                          | Transportation, Utilities       | 1.8%          |
|                          | Total                           | <u>100.0%</u> |

|                            |      |
|----------------------------|------|
| Civilian Unemployment Rate | 4.8% |
|----------------------------|------|

(Source: State of California, Labor Market Information Division of the California Employment Development Department, as of June 2004)

|                  |                |    |
|------------------|----------------|----|
| Fire Protection: | Fire Stations: | 31 |
|------------------|----------------|----|

|            |                                                    |    |
|------------|----------------------------------------------------|----|
| Education: | Number of Elementary School Districts:             | 11 |
|            | Number of Secondary School Districts:              | 2  |
|            | Number of Unified School Districts:                | 7  |
|            | Number of Community College Districts:             | 1  |
|            | Number of Ventura County Offices:                  | 1  |
|            | Number of State Universities:                      | 1  |
|            | (Source: Ventura County Superintendent of Schools) |    |

|        |                       |       |
|--------|-----------------------|-------|
| Parks: | Number of Parks:      | 26    |
|        | Number of Land Acres: | 5,854 |

|           |                     |     |
|-----------|---------------------|-----|
| Airports: | Number of Airports: | 2   |
|           | Number of Acres:    | 866 |

|          |                    |     |
|----------|--------------------|-----|
| Harbors: | Number of Harbors: | 1   |
|          | Number of Acres:   | 316 |

(Source: County of Ventura)

COUNTY OF VENTURA  
SALARIES AND SURETY BONDS  
OF ELECTED COUNTY OFFICIALS  
AS OF JUNE 30, 2004  
(UNAUDITED)

| <u>OFFICIALS</u>   | <u>POSITION</u>             | <u>ANNUALIZED<br/>SALARY (a)</u> | <u>SURETY BOND</u> |
|--------------------|-----------------------------|----------------------------------|--------------------|
| Steve Bennett      | Supervisor, First District  | \$ 89,633                        | \$ 25,000          |
| Linda Parks        | Supervisor, Second District | \$ 94,115                        | \$ 25,000          |
| Kathy I. Long      | Supervisor, Third District  | \$ 97,849                        | \$ 25,000          |
| Judy Mikels        | Supervisor, Fourth District | \$ 97,849                        | \$ 25,000          |
| John K. Flynn      | Supervisor, Fifth District  | \$ 97,849                        | \$ 25,000          |
| Dan Goodwin        | Assessor                    | \$ 128,760                       | \$ 25,000          |
| Christine L. Cohen | Auditor-Controller          | \$ 145,126                       | \$ 250,000         |
| Philip J. Schmit   | Clerk and Recorder          | \$ 126,047                       | \$ 25,000          |
| Gregory D. Totten  | District Attorney           | \$ 161,787                       | \$ 25,000          |
| Bob Brooks         | Sheriff                     | \$ 185,727                       |                    |
|                    | Civil                       |                                  | \$ 25,000          |
|                    | Criminal                    |                                  | \$ 25,000          |
| Lawrence Matheney  | Treasurer - Tax Collector   | \$ 120,222                       | \$ 755,000         |
|                    | Public Administrator        |                                  |                    |
|                    | Public Guardian             |                                  |                    |

(a) Based upon June 2004 base salary.

Source: Ventura County Auditor-Controller's Office and Ventura County Risk Management

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